

**REVISED FINAL OFFER**

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**AGREEMENT**

This Agreement, made and entered into this \_\_\_\_\_ day of \_\_\_\_, 20\_\_, between Hecla Limited with respect to its Lucky Friday mine operations near Mullan, Idaho, hereinafter called the “Company,” and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union on behalf of its Local 5114, Mullan, Idaho, hereinafter called the “Union.”

## **ARTICLE 1**

### **PURPOSE AND INTENT OF THE PARTIES**

The purpose of the Company and the Union in entering into this labor Agreement is to set forth their agreement on rates of pay, hours of work, and other conditions of employment, as defined in this Agreement, so as to promote orderly and peaceful relations between the Company and its employees, and to achieve uninterrupted operations in the mine and mine plant.

In compliance with the Civil Rights Act of 1964, and the Americans with Disabilities Act of 1992, the Company and the Union agree that there shall be no employment practices regarding hiring, discharge, or classification of employees which would discriminate against any individual with respect to his compensation, terms, conditions, or privileges of employment, because of such individual's race, color, religion, sex or national origin or disability status.

The terms "he", "his", and "him" shall be construed as referring to women as well as men.

## **ARTICLE 2**

### **EMPLOYEES**

The term "employees" as used in this Agreement shall include all production and maintenance employees of the Company at its Lucky Friday Mine near Mullan, Idaho, excluding all executive, professional and clerical employees, guards and supervisors as defined in the Labor-Management Relations Act of 1947 and amendments thereto.

## **ARTICLE 3**

### **UNION RECOGNITION**

The Company recognizes the Union as the sole bargaining agent in order to fulfill the purpose and intent as defined in Article 1 for the employees of the Company as defined in Article 2. The Company retains and shall exercise all managerial authority and prerogative except as provided in this Agreement.

The Company will make a good faith effort to grant a Union representative up to fifteen (15) minutes to meet with new employees during the Company's new hire orientation process. The timing, location of the meeting, and duration of the meeting will be at the sole discretion of the Company.

Copies of any new or changed Company policy will be delivered to the Local Union president within 24 hours of implementation.

## **ARTICLE 4**

### **UNION MEMBERSHIP AND CHECKOFF**

- a. The Company agrees not to discriminate against any employee because of his membership, or lack of membership, in the Union, or because of Union activity upon his part. And the Union agrees that neither it nor any of its officers or members will discriminate against any employee of the Company because of his non-membership in the Union and that neither the Union nor any of its officers or members will intimidate or coerce, or attempt to intimidate or coerce any employee of the Company into joining the Union or paying any dues, fees, assessments or other charges of any kind to the Union or any other third party.
- b. The Company agrees to deduct from wages one time each month, the Union membership dues and initiation fees in an amount designated by the Union for each employee who has voluntarily signed and presented to the Company written authorization of such deductions on the form designated by the Union. Such amount will be promptly remitted to the International Treasurer, United Steelworkers, PO Box 644485, Pittsburgh, PA 15264-4485. The above written and signed authorization to deduct dues and fees may be revoked by the employee at any time by giving written notice of such revocation to the Company and the Company will provide a copy of such revocation to the Union.
- c. Notwithstanding the foregoing provisions of this Article, there shall be no financial responsibility on the part of the Company for fees, dues or assessments of an employee unless there are sufficient unpaid wages of that employee in the Company's possession.

## **ARTICLE 5**

### **HOURS OF WORK AND OVERTIME**

- a. Hours eligible to be paid at overtime rates of one and one-half (1-1/2) times the regular rate shall be those hours worked in excess of 40 hours during the workweek.
- b. A workday is defined as eight (8) to twelve (12) hours. Workdays consisting of hours other than eight to twelve hours may be established through mutual agreement between the affected employee(s) and the Company. Notwithstanding the language above, the Company may schedule hoistmen for shifts between eight (8) and thirteen (13) hours.

Such agreements will be made on a case by case basis, will be deemed temporary and will be subject to termination by either the affected employee(s) or the Company with a five-day notice to the other and shall not be used by either

the Union or Company to establish precedence. Prior to any permanent department wide schedule change, the Company shall post a notice of such schedule change for a minimum of fourteen (14) days.

- c. A workweek is defined as beginning with the graveyard shift which starts on Sunday night and ending with the afternoon shift which ends the following Sunday night; i.e., the graveyard shift starting Sunday night is the first shift of the workweek and afternoon shift Sunday night is the last shift of the workweek. Employees will be scheduled so that their days off, if more than one, shall be consecutive with the exception of the four day per week "Republic" schedule.
- d. Time and one-half shall not be paid more than once for the same hours worked.
- e. Employees shall be allowed a thirty (30)-minute lunch break during the one and a half hours that are halfway through their regularly scheduled shift. If an employee is directed to work through his lunch period, he may elect to receive an additional eight dollars (\$8.00) in lieu of taking a lunch break during the middle hour and half of his shift. Hoistmen and Relief Hoistmen will not receive additional compensation if required to work through their lunch period.
- f. The work schedule for the following workweek will be posted on the bulletin boards at the property by 3:00 PM Thursday of the current workweek.
- g. Underground work will be paid collar to collar.
- h. Employees working two (2) hours or more beyond the end of the regular shift will be furnished lunches by the Company. Additional lunches will be furnished at four-hour intervals thereafter for the duration of continuous time worked. Employees will be given a choice of receiving a lunch, as provided for herein, or receiving one-half (1/2) hour pay in lieu of such lunch being furnished by the Company.
- i. When an employee is called out for work between shifts, he shall receive a minimum pay for services rendered of four (4) hours straight time. An emergency call-out is defined as an unscheduled request made by a manager or supervisor for an employee to return to work due to unforeseen circumstances, or for emergency work after leaving the mine site at the end of his current shift and before the beginning of his next shift. When an employee is called out for work for an emergency call-out, he shall receive a minimum pay for services rendered of four (4) hours straight time plus time actually worked at the employee's applicable rate of pay, except that employees called to work prior to, or subsequent to, and continuous with their shift shall only be paid for actual hours worked prior to or subsequent to their shift.

An employee who is asked to return to work before the hours of his scheduled shift expire or while waiting on site to begin his shift shall not be considered a "call-out." An employee who is asked at least 15 hours in advance to fill in for another shift shall not be considered a "call-out".

- j. Employees reporting for work and who, after reporting, are sent home because there is no work available, shall receive in such instances four (4) hours straight time at their regular rate of pay, unless the Company shall have made a diligent effort to notify the employee, at least three (3) hours prior to starting time of the shift, by one or more of the following: telephone, radio, email, text message, or direct communication, not to report for work, or unless work is unavailable because of failures beyond the control of the Company. To be eligible for reporting pay, employees must have a current telephone/cell phone number or email address registered with the Human Resources department.
- k. It is agreed that if any employee intends to absent himself from work he shall notify his immediate supervisor, foreman, or superintendent at the mine or mill office of his intention as soon as possible after such intended absence shall become known to said employee, or in any event, not later than forty-five (45) minutes before the beginning of the shift. If such employee fails to notify the Company of his intended absence at least forty-five (45) minutes before the beginning of the shift, he shall be subject to disciplinary action unless his failure to timely notify was necessitated by his own illness or by some other emergency over which he had no control, in which case, notification must be made prior to the beginning of the shift. The Company may require reliable verification of an employee's inability to timely notify.

An employee who does not report off within twenty-four (24) hours after the start of his regularly scheduled shift is subject to discharge regardless of his reason for being off. Any employee who does not report off within seventy-two (72) hours after the start of his regularly scheduled shift may, at the sole discretion of the Company, be discharged for cause.

- l. Overtime work shall be offered in a two (2)-week (prior week plus current week) rotation on a seniority basis from among employees who (1) regularly perform the work, or (2) are qualified to perform the work, provided they have indicated a willingness to work overtime by signing up for overtime in the mine office or mill office no later than 6:00 a.m. Thursday for the next 7 days' overtime.

The overtime schedule, with tentative work assignments, will be posted no later than 3:00 P.M. Thursday for the next seven days' overtime.

Overtime will be mandatory for (1) those who sign up, (2) in cases of bona fide emergency, or (3) to fill short crews in inverse seniority order.

- m. Record of overtime will be maintained for the prior week and will be available upon reasonable request. Any employee who is not properly offered overtime work will be offered further overtime work opportunities to redress him. However, if an employee notified the Company by 7:00 a.m. Friday morning of improper overtime scheduling and the Company fails to correct the situation, the employee shall be offered fifty dollars (\$50.00) in lieu of further overtime work opportunities to redress him.

The Company may select leadmen for overtime work with no regard to seniority.

## ARTICLE 6

### WAGES, PAYDAY, JURY DUTY, AND BEREAVEMENT PAY

- a. The classifications and rates of pay applicable thereto appearing in Schedule "A", which is attached hereto, and by reference made a part hereof, shall be effective as of [Ratification Date of Agreement], for all employees and shall remain in full force and effect during the life of this Agreement. In the event any employee does not come within the classifications designated, or if new operations are undertaken during the life of this contract and employees incident thereto are not covered by these classifications, the classifications and applicable rate for such classifications shall be established by the Company. If the Union objects to the Company's decision it shall be a matter for prompt negotiations. It is understood and agreed, however, that notwithstanding any of the foregoing language or provisions of this Agreement, this Agreement shall be applicable to and only to any and all operations which may be conducted by the Company in connection with its Lucky Friday property, or any and all operations which may be conducted by the Company in any of the adjoining or nearby properties which are operated through the Lucky Friday shafts.

#### SCHEDULE A - Classification of Wage Rates

Positions	Tech Level	Date Year 1	Date Year 2	Date Year 3	Date Year 4	Date Year 5	Date Year 6
Entry Laborer	T1	19.50	19.50	19.50	19.85	20.20	20.50
Support, Surface, Construction, Miner, Hoistman, Mill Operator, Mill Mechanic, Mine Mechanic, Electrician	T2 T3 T4 T5	21.00 22.75 24.75 27.00	21.00 22.75 24.75 27.00	21.00 22.75 24.75 27.00	21.35 23.15 25.20 27.50	21.75 23.55 25.65 28.00	22.15 24.00 26.10 28.50
Mill Mechanic, Mine Mechanic, Electrician	T6	31.00	31.00	31.00	31.55	32.15	32.75
Master Mechanic, Master Electrician	T7	33.00	33.00	33.00	33.60	34.25	34.90

1. Leadman pay will be at the employee's current classification rate plus \$1.00 per hour.
2. The Support category is defined as any position not specifically defined in this Schedule A.

- b. In addition to the basic wage rate per hour, a shift premium of \$0.45 per hour will be paid for work performed on scheduled shifts starting between the hours of 1:01 p.m. and 4:59 a.m.
- c. It is agreed by the parties to this Agreement that should an employee be discharged or voluntarily leave the employ of the Company he shall be paid no later than the next regularly scheduled pay day.
- d. PAYDAY - The parties agree to a two week pay period. Paychecks will be available to all shifts on Wednesday.
- e. JURY DUTY - An employee who is called for jury service or who is subpoenaed to serve as a witness in a matter for which he expects no direct or indirect remuneration other than standard witness fees as set by the court shall be excused from work for the days on which he serves. He shall receive, for each such day of such service on which he otherwise would have worked, the difference between his daily rate (as computed under Paragraph (g)) and the payment he receives for such service. The employee will present proof of service and the amount of pay received therefore.
- f. BEREAVEMENT PAY - In the case of death in the immediate family of an employee, time off with pay (as computed under Paragraph (h)) will be allowed for three (3) consecutive work days, and the day of the funeral if not included under the above three allowed days. "Death in the immediate family" above shall be limited to death of father, mother, spouse or children, parents-in-law and step-parents, sister or brother, step-sister or step-brother, step-children, grandparents, grandchildren, half-brother, half-sister, brother-in-law, or sister-in-law. A new employee must have been on the plant payroll for 90 calendar days prior to such death to be eligible for pay under this provision.
- g. For references made to this article the rate of pay applicable shall mean the employee's then existing basic classification rate as set forth in Schedule "A".
- h. ADJUSTMENT PAYMENT – In order to transition employees from the "Grade" system and Silver Premium Plan in the 2010 CBA to the "Tech Level" system in the 2017 CBA, without a loss in combined base wages and silver premium, the Company shall make an Additional Payment to all Qualified Employees during the term defined below.

Definitions:

Combined Rate – the sum of an employee’s pay grade under the 2010 CBA plus \$6.00/hour.

Tech Level Rate – An employee’s rate of pay under Schedule A.

Adjustment Rate – A positive number that results from subtracting a Qualified Employee’s Tech Level Rate from his or her Combined Rate.

Qualified Employees – permanent, non-probationary employees on the payroll as of [Ratification Date].

For a period of 12 months from [Ratification Date], the Company shall compare each Qualified Employee’s Combined Rate to his or her Tech Level Rate. If an employee’s Combined Rate is greater than his or her Tech Level Rate, the Company shall add the Adjustment Rate to the employee’s Tech Level Rate. For employees whose Tech Level Rate equals or exceeds the Combined Rate, no Adjustment Payment shall be made.

Exceptions:

Employees who voluntarily change jobs, or who change jobs as a result of an industrial or non-industrial illness or injury, resulting in a lower Tech Level Rate than their previous Combined Rate, shall not be eligible for the Adjustment Rate.

**ARTICLE 7**

**VACATIONS AND HOLIDAYS**

- a. Vacations with pay shall be granted to employees of the Company who qualify according to the terms and conditions provided in this Article.
- b. Beginning January 1, 2019, the following annual vacation time shall be allowed.

<u>Length of Employment</u>	<u>Vacation Time</u>
Over one year through second year	81 hours
Over third through fifth year	114 hours
Over sixth through tenth year	131 hours
Over eleventh through seventeenth year	164 hours
Over eighteenth through twenty-second year	179 hours
Over twenty-third through twenty-fourth year	196 hours
Over twenty-fifth through twenty-ninth year	225 hours
Thirty years or more	235 hours



- c. An employee may elect to either take earned vacation time off or to receive vacation pay in lieu of taking time off. Beginning December 31, 2019, vacation hours in excess of 240 hours as of December 31<sup>st</sup> of each year, will be paid to the employee during the month of January of the following year.
- d. For all employees the pay rate applicable for vacation pay shall be their current applicable classification rate.
- e. The inclusive dates of an individual employee's vacation will be arranged to suit his desires and convenience insofar as practicable, the Company reserving the right to final determination. Once an employee has been approved for a vacation that vacation will be locked in and will not be cancelled by the Company. Vacation quotas will be established for all crews of ten percent rounded to the nearest whole number. During the peak vacation periods of the Saturday before Memorial Day through Labor Day, and the month of October the Company will adjust the vacation policy to allow the use of vacation days and personal holidays to meet the maximum number of employees allowed off at any one time. In the event of an even one half, the number of employees allowed vacation from that crew will be rounded to the nearest whole number plus one employee. Vacation day(s) must be arranged with at least forty-eight (48) hours advance notice.

Short notice vacations may be scheduled without 48 hours notice, subject to the following:

- No more than three short notice vacation days will be allowed per calendar year.
  - Short notice vacation days are subject to the quotas per the preceding paragraph.
  - No such application will be granted when the day of the absence occurs on the day before, the day of, or the day after a scheduled holiday, or the day before, the day of, or the day after a long weekend which results from a scheduled holiday.
- f. After six months of service, accumulated and accrued vacation pay shall be paid upon termination of employment for any reason.
  - g. Vacation hours will be prorated for newly hired employees. Employees hired during the current calendar year will receive 6.6 vacation hours for each full calendar month worked during the current calendar year. Such vacation hours will be granted on January 1 of the year following the employee's hire date. The number of vacation hours granted will be rounded to the nearest whole number.
  - h. Effective January 1, 2018, employees will no longer accrue vacation on a two week pay period basis. Employees shall earn vacation annually, and the vacation time

earned shall be awarded on the first business day of January following the year the vacation time is earned. On January 2, 2018, the Company will advance all current full time employees, with at least one full calendar year of service, 80 hours of vacation. All such employees shall have 40 hours of vacation time deducted from their vacation allocations during January 2019 and January 2020. Effective January 1, 2019, employees will receive vacation as allocated in Article 7(b).

- i. Each full-time employee who works on a declared holiday, with the exception of the Floating and Personal Holidays, will receive one and one-half times his regular rate of pay for actual hours worked in addition to his holiday pay. Christmas shall not be worked except for necessary maintenance and repair, emergency, and/or voluntary sign-up. Each full-time employee who is not scheduled to work on the day of the holiday shall receive eight (8) hours pay for such holiday at the employee's permanent classification rate. The following are declared holidays:

MEMORIAL DAY  
FOURTH OF JULY  
LABOR DAY  
THANKSGIVING  
DAY FOLLOWING THANKSGIVING  
CHRISTMAS  
NEW YEAR'S DAY  
FLOATING HOLIDAY  
THREE PERSONAL HOLIDAYS

The personal holiday shall be scheduled for the employee by the Company on the date requested unless to do so would adversely affect operations. The Company shall act on the holiday request within three (3) calendar days from the date the request is made. The Personal Holidays will be approved on a first come first served basis, may only be taken in the year in which it is earned, and is subject to the quotas under paragraph 7(e).

- j. The Floating Holiday is to be taken at the employee's discretion. Only when the day of absence occurs on the day before, the day of, or the day after, another scheduled holiday, or the day before, the day of, or day after a long weekend which results from a scheduled holiday, shall it be subject to quotas under paragraph 7(e).

If an employee is absent from work for any reason, he may, upon the day he returns to work, apply to the Company to take a Personal Holiday for the day of the absence. Full explanation must be made to the Company as to the reason for missing work. The Company will not unreasonably deny the application. No such application will be granted when the day of the absence occurs on the day before, the day of, or the day after a scheduled holiday, or the day before, the day of, or day after a long weekend which results from a scheduled holiday.

- k. Employees scheduled to work on a holiday, and who fail to report to work, shall not receive holiday pay.
- l. In lieu of taking a personal or floating holiday, an employee may elect to be paid for his holiday instead of actually taking the time off. If the Personal Holidays or the Floating Holiday are not taken by the end of the calendar year in which they are granted, any such holiday(s) not taken will automatically be paid by the Company. Pay for holidays not taken will be equal to eight (8) hours at the employee's permanent classification rate.
- m. In order to qualify for holiday pay, an employee must have been on the Company payroll continuously for ninety (90) calendar days preceding the holiday.
- n. In order to qualify for holiday pay, an employee must work the last scheduled shift before the holiday and the first scheduled shift following the holiday.

Employees off on vacation, are eligible for holiday pay provided they work their last scheduled shift before starting their vacation and the first scheduled shift when returning from vacation. Employees on a leave of absence for any reason shall not be entitled to holiday pay.

## **ARTICLE 8**

### **LEAVES OF ABSENCE**

- a. Leaves of absence may be granted to:

An employee requesting a leave of absence must submit such request at least seventy-two (72) hours in advance, except in cases of emergency. The General Manager or his designee may grant a leave of absence at his sole discretion. Any leave of absence granted shall be unpaid.

- b. Leaves of absence shall be granted to:

Allow an employee to spend up to two (2) weeks in training as a member of a branch of the U. S. Armed Services, or as otherwise required by applicable law. An employee on military leave shall be paid the difference between his base pay from the government and his normal wages from the Company for the period of actual service, not to exceed two weeks per calendar year. In such a case, the employee must provide acceptable documentation of all pay received from the government. Normal wage is defined as the employee's normal forty-hour week paid at the shift rate as shown in Schedule "A".

All employees shall be eligible for two (2) non-paid personal leave days per year. These personal leave days shall be subject to the same quotas established in Article 7, but are otherwise to be taken at the employee's discretion.

c. Family and Medical Leave Act

The Company and the Union agree the rights granted to employees under this Agreement are to be coordinated with the obligations required under the Federal Family and Medical Leave Act. An eligible employee taking FMLA leave shall exhaust all available vacation time in excess of eighty (80) hours, as part of such leave before being put in an unpaid leave status. The Company reserves the right to require appropriate documentation to establish the necessity for the requested leave and to require advance notification as allowed for in the Act.

## **ARTICLE 9**

### **UNION WORK**

Whenever an employee is elected or appointed to hold a full-time position in the Union or any other labor organization with which this Union is affiliated, the Company will grant such an employee a leave of absence, without interruption of seniority, for the term of said office or three (3) years, whichever is the lesser, such service to be continuous, and will reinstate the said employee to a position such as said employee held at the time of election or appointment with like status and pay, unless the employer's circumstances have so changed as to make it impossible or unreasonable to do so; provided, however, that such employee is physically able to perform the duties of such job; and provided further that said employee makes application to the Company for reinstatement within thirty (30) days after the expiration of his term of office. It is agreed by the parties hereto that no more than one (1) employee may avail himself at any one time of this right of leave of absence, except by special written agreement of the parties, and it is also agreed between the parties hereto that any employee who is on a leave of absence as described herein shall not receive from the Company compensation in any form, to include fringe benefit rights of any nature, except that said employee shall receive credit for continuous service as applied to pension benefits for up to a lifetime maximum of 18 months, for the term of his leave of absence. Nothing in this article shall be intended to obligate the Company to extend a leave of absence beyond three (3) years, or term of said office, whichever is the lesser, regardless of whether or not any other employee is currently seeking a similar leave of absence. Also, no employee shall be granted leave of absence for Union business, other than business dealing with the Lucky Friday Mine, of more than a lifetime total of three years.

Supervisors and/or other employees of the Lucky Friday Mine, not covered by this Agreement, shall not perform work customarily performed by employees in the job classification as set forth in Schedule "A" except in the following cases (1) emergencies, (2) when necessary to instruct employees in their duties, (3) for minor work that is

unreasonable to assign to a bargaining unit employee, or (4) to provide training for salaried personnel.

## **ARTICLE 10**

### **GRIEVANCE PROCEDURE**

- a. A grievance is any dispute arising between employees and representatives of the Company involving compliance with, or interpretation of, or application of the Articles of this Agreement.
- b. The Union shall at all times maintain a Grievance Committee at the Company's plant comprised of four (4) employees of the Company. The Union shall give the Company a list naming the four (4) regular members of the Grievance Committee, together with four (4) alternate members, all of whom it is preferred shall have at least twelve (12) months seniority; and the Union shall keep the Company advised in writing of any membership changes. Said Grievance Committee shall not in any way interfere with the operations of the Company. In connection with Committee duties, no Committee member shall visit working places for any cause except as hereinafter provided. The Committee shall have the right to take a grievance up only before or after regular working hours. Whenever possible, grievance meetings between the Company and the Union shall be heard on the grievance committeeman and aggrieved employee's regularly scheduled days of work.
- c. In the case of a disagreement as to the facts existing at the place of employment, the Grievance Committee and Company representatives may make any necessary examination of the working place involved, either before or after working hours without additional compensation, or during working hours if examination before or after working hours is impracticable. A grievance of a general nature must be filed and signed by the Chairman of the Grievance Committee or his designee. A specific grievance must be filed by the aggrieved employee over his signature or, where good cause is expressed in writing, the Chairman of the Grievance Committee or his designee may file a specific grievance over his signature.
- d. It is agreed between the parties hereto that the procedure provided in this Agreement is adequate for fair and expeditious settlement of any grievances arising between the parties. All grievances shall, therefore, be settled as hereinafter set forth. Grievance procedures shall be posted on the bulletin boards.
- e. Grievance meetings with the Company shall be considered as time worked for the purpose of qualifying for vacation and holidays for Grievance Committee members.

- f. If a grievance is initiated by an employee or employees, the steps shall be as follows:

**Step 1.** The aggrieved employee or one of the aggrieved group with or without a member of the Grievance Committee, shall first discuss the grievance with his immediate supervisor and they shall attempt an immediate settlement. All grievances must be brought to the attention of his immediate supervisor within five (5) working days of the occurrence of the grievance or within five (5) working days of the discovery of the grievance by the aggrieved employee provided in any event the grievance must be brought within thirty (30) days from time of occurrence.

**Step 2.** If meetings at the property result in failure of a satisfactory settlement within five (5) working days, the grievance shall be reduced to writing and duplicate written copies of the grievance shall be made over the signature of the employee and presented to the Mine or Mill Superintendent or Foreman.

If meetings at the property with the Mine or Mill Superintendent, or Foreman, or his designee do not result in a satisfactory settlement within five (5) working days, the Mine or Mill Superintendent or his designee shall give a copy of his written reply to the Union.

**Step 3.** Failing satisfactory adjustment, the Grievance Committee, and the aggrieved employee if he chooses to be present, shall endeavor to adjust the grievance with the Mine Manager or his designee within five (5) working days. The Company shall furnish the Union with a written decision within five (5) working days following the Step 3 meeting. A Union staff representative or his designee shall be present and shall participate in any Step 3 meeting.

**Step 4.** If the written decision is not satisfactory the Union may elect within ten (10) days of the receipt of the Step 3 decision to submit the grievance to arbitration in accordance with Article 11 of this Agreement by giving written notice to the Company of intention to arbitrate. In order to arbitrate a grievance in accordance with Article 11 of this Agreement such request for arbitration shall be filed in writing, by the Union Staff representative, with the Federal Mediation and Conciliation Service within ten (10) days of written notice having been given of intention to arbitrate. Any grievance not filed with the Federal Mediation and Conciliation Service for arbitration within thirty (30) days from the Company's Step 3 reply shall be deemed to be withdrawn, unless otherwise agreed.

- g. Any grievance not carried to the subsequent step within the time allotted as provided in Section (f) of this Article shall be deemed to have been forfeited by the untimely party and settled; provided, that the party electing to evoke the time limits in Steps 2, 3 or 4 first notifies the other party in writing of the intent to call time limits and the untimely party shall have three work days from receipt of such

notice to reply or forfeit the grievance. Step 1 grievances shall be considered settled if a written request for a Step 2 meeting is not received within five (5) working days of the company's Step 1 reply, or the grievant has not received a Step 1 answer from the Company within 5 working days.

- h. In the case of the discharge of an employee, there shall be a five (5) working day period of suspension before final discharge (except for situations defined in Article 5-k). Any grievance based on discharge must be presented within two (2) working days after the individual has been advised of his final discharge.
- i. The parties agree that no precedent is set by any grievance settlement at any Step 1 and 2 of the grievance procedure and that grievance settlements in those specific steps will not be used for any purpose other than the resolution of the grievance involved unless the settlement specifically states that the parties agree precedent is set and that the settlement will be used as an interpretation of certain terms of this Agreement.
- j. The procedure set forth in this Article shall be applied and relied upon by both parties as the sole and exclusive means of seeking adjustment of, and settling, grievances.

## **ARTICLE 11**

### **ARBITRATION**

- a. Any grievance arising out of or relating to the interpretation of this Agreement shall be submitted to arbitration under the Voluntary Labor Arbitration Rules (as amended and in effect the date the request for arbitration is filed) of the American Arbitration Association. The parties further agree to accept the arbitrator's award as final and binding upon them.
- b. Appointment of the arbitrator shall be made under Rule IV, 12, except that each party to the grievance shall have twenty-one (21) days from the date of mailing of lists by the Federal Mediation and Conciliation Service in which to examine said list, cross off any names to which he objects and number the remaining names indicating the order of his preference, and return the lists to the Tribunal Clerk. It is further understood and agreed as between the parties that lists of names of potential arbitrators will be continuously submitted by the Federal Mediation Service until such time as the Company and the Union do agree and as between themselves select an arbitrator, any rule to the contrary notwithstanding which may have been promulgated to exist on behalf of the Federal Mediation Service.
- c. When a matter is referred to arbitration by either party, the parties may agree to join in a written submission defining the issue or issues to be arbitrated. If the parties are unable to agree upon a submission then each party may file with the Arbitrator

its version of the issues to be decided, and the Arbitrator shall determine the scope of the submission, subject always to the limitations of this Article.

- d. The Arbitrator shall not have the authority to alter or add to the terms of this Agreement or the wage scales which are a part hereof. If both parties make submissions, the Arbitrator shall not have authority to go beyond such submissions. Any case referred to the Arbitrator, by either party, on which the Arbitrator has no power or authority to rule shall be referred back to the parties without decision.
- e. Should the Arbitrator order a discharged employee reinstated, said Arbitrator may order such reinstatement with or without back pay.
- f. The expenses of arbitration shall be borne by both parties, as outlined in the Voluntary Labor Arbitration Rules (as amended and in effect the date the request for arbitration is filed).

## **ARTICLE 12**

### **SENIORITY**

- a. New employees will be regarded as probationary employees for a period of ninety (90) calendar days. Probationary employees may be laid off, transferred or terminated at the discretion of the Company and without recourse to the grievance procedure. Probationary employees still in the service of the Company subsequent to ninety (90) calendar days, shall receive full continuous service credit from their most recent date of hire.
- b. Seniority for purpose of promotion, demotion, job selection, layoff, recall, or cutbacks shall be on a plant-wide basis, subject to Paragraph d of this Article. An employee's plant seniority shall date from his first shift of work following his last hiring. If an employee's service is terminated, being recognized as a sustained termination, and his name removed from the payroll, and he is reemployed at a later date, he will be considered as a new employee for purposes of eligibility and computation of seniority, but a leave of absence authorized by Hecla under Article 8 shall not in any way affect credit previously accumulated. Any one of the following shall terminate an employee's seniority:
  - 1. Discharge or voluntary termination.
  - 2. An NOD absence for a period equal to an employee's length of continuous service with the Company, or for a period of twenty-six (26) weeks, whichever is the lesser.

In the event an employee exhausts the 26 weeks of NOD benefits, the employee will be laid off ("NOD Layoff"). Under an NOD Layoff an



employee will be entitled to recall rights as defined in Article 24, Section 4(f)(1-3). The recall period under an NOD Layoff shall be 26 weeks from the date of NOD Layoff.

In the event an employee on NOD Layoff elects COBRA coverage, the Company shall pay the COBRA premium during the 26-week period of NOD Layoff, so long as the employee has paid the applicable premium share to the Company.

3. An absence, caused by a compensable industrial injury incurred in the employ of the Company, once it has been determined that the employee will be unable to return to work at the Lucky Friday mine due to a permanent disability.
  4. A layoff for a period equal to an employee's length of continuous service with the Company, or for a period of two (2) years, whichever is the lesser, because of lack of work or a general reduction in the working force.
- c. The Company shall post on bulletin boards a seniority list which shall show the seniority of each employee and such posted list shall be revised quarterly during the months of January, April, July and October. Such list will stand as final unless objected to within twenty-one (21) days of posting.
  - d. Employees with the longest continuous seniority shall have preference in layoffs and cutbacks, and recall after layoffs and cutbacks provided they have relatively equal qualifications to perform the work.
  - e. An employee promoted from within the bargaining unit to a supervisory, technical or clerical position, shall retain accumulated seniority. Provided, however, such seniority shall not be utilized to bump an hourly employee during a reduction in force.
  - f. An employee may fill a non-bargaining unit position for a maximum of twelve (12) consecutive months. After the twelve (12) consecutive months, the employee must either be promoted to a salary position or be returned to a classification contained within Schedule "A".

## **ARTICLE 13**

### **JOB POSTINGS**

- a. When a new non-temporary job, or a non-temporary job vacancy occurs, the Company will post a notice on the bulletin boards for ten (10) consecutive days. Employees desiring to fill any such vacancy shall apply in writing to the Human

Resources Department, or such other department as defined by the Company, within the ten allotted days.

Employees who have applied, and meet both the general and departmental criteria established in the Lucky Friday progression system policy, will be considered for the job. The position will be awarded based on the Company's observation and assessment of the following:

1. the employee's ability to do the work (ability being defined as having skill, competence, training and experience). The requisite skill, knowledge and competence to perform the relevant tasks of the job may, among other methods of assessment, be determined through management observations, tests, licenses, and certifications;
2. physical fitness;
3. compatibility.

Where applicants are deemed to have relatively equal qualifications by the Company, plant seniority will be the determining factor.

- b. New jobs and temporary vacancies, with expected durations of less than ninety (90) days, may be filled at the discretion of the Company.

An employee who is awarded a permanent job posted outside his department cannot be awarded another job for a period of one (1) year. An employee who is awarded a job posting within his department cannot be awarded another job for a period of three (3) months.

- c. Management will determine the timeline of movement within the progression system. Leadmen will be selected by the Company without regard for seniority.
- d. In the event the successful employee is awarded a permanent job outside his career path, and does not have the ability to satisfactorily do the work or is disqualified by the Company within two weeks worked from the date the employee begins work in the new job posting, the employee will revert back to the employee's previous job and rate of pay.
- e. The Company reserves the right to establish, implement, modify, suspend or terminate any contract or incentive program (except as otherwise noted in Article 30) at its sole discretion. In the event the Company does not receive a written application of interest from a current full-time employee within ten (10) consecutive days of the job posting, the Company may fill such position at its discretion. Employees off work for any reason must meet all requirements and

deadlines as stated in this Article. It is the sole responsibility of the employee to be aware of and timely apply in writing for any job postings.

- f. A copy of the job posting marked to show the successful applicant will be available to the Union president upon his request. When a job posting is awarded, a notice showing the name(s) of the successful applicant(s) will be posted.

## **ARTICLE 14**

### **SAFETY AND HEALTH**

- a. The Company and the Union will cooperate in the continuing objective to eliminate accidents and health hazards. The Company will continue to make reasonable provisions for the safety and health of its employees at its operations during the hours of their employment and agrees to abide by and maintain standards of sanitation, safety and health in accordance with Federal and State laws and regulations.

The employer shall take the lead in accident prevention, and provide safety training. Employees shall comply with the Company's accident prevention and training efforts. Employees who fail to work safely or who violate safety rules shall be subject to disciplinary action.

All employees will comply with all safety and health rules, and the Union will cooperate with the Company in achieving this goal. Whenever a need for information exists as to the meaning of a rule or safety practice, the employee shall obtain clarification from his supervisor, and/or a representative of the Health & Safety Department.

In this Safety and Health Article, the Union, through its various representative committees, officers, employees and agents, has been accorded certain participatory rights relating to employee safety and health; however, it is not the intention of the parties that these provisions, or the Union's exercise of its rights hereunder, shall in any way diminish the Company's exclusive responsibility.

Individual employees should at all times be safety conscious and perform their work in a manner not hazardous to themselves and fellow employees.

Adequate first aid facilities and access to emergency first aid treatment shall be provided by the Company. No employee shall willfully damage, destroy or carry off any safety device or safeguard furnished or provided for use in any employment or place of employment. When it becomes necessary to remove a safety device or guard for any reason, adequate safety precautions shall be taken.

- b. Protective devices and other special equipment necessary to properly protect employees from injury, shall be provided by the Company in accordance with the Company's Personal Protective Equipment policy. Any such items needing replacement must be turned in to the office or paid for by the employee.
- c. The Company shall furnish rubber clothing (pants, coats, and hip boots) when in the reasonable judgment of the Company it is necessary to do so. Any garment needing replacement must be turned in to the office or paid for by the employee.
- d. The safety committee shall consist of a fair representation of the bargaining unit as designated by the Union. The committee will also consist of management members designated by the Company.

One of the designated Union members and one of the management members of the safety committee shall make quarterly safety inspections of the entire plant. Following such inspections the Committee will meet with management personnel designated by the Company. A written report of findings shall be made and signed by each committee person present during the inspection. Copies shall be submitted to Management and to the Union.

Not to exceed one hour's pay at his classification rate will be granted each employee member of the Committee for each meeting attended after working hours.

The Union Committee member or his designee will be paid during the regular monthly inspection tour and subsequent post inspection meeting at the rate as computed in accordance with Article 7(d) of this Agreement.

- e. The function of the Committee shall be to advise and consult with the management concerning health and safety matters, but not to submit or handle grievances.
- f. The Company and the Union agree to cooperate to eliminate unnecessary blasting on shift, and to cooperate in the elimination of dust.
- g. The Company will provide transportation from the mine to the office of the attending physician or hospital for any employee injured on the job. Return transportation on the day of injury from the physician's office or from out-patient care at the hospital to the mine or to the employee's home, will be arranged by the Company.
- h. Protective headgear and standard safety footwear damaged or destroyed in an accident involving an industrial injury will be replaced by the Company upon presentation of documented proof of loss.

- i. The Union president or his designee will be informed in the event of an emergency situation or serious accident. The Union president or his designee will be afforded the opportunity to participate in the investigation of any such emergency situation or serious accident.

## **ARTICLE 15**

### **MEDICAL AND PHYSICAL PROGRAM**

The Company may require any employee to submit to a complete physical and/or mental examination at reasonable times at the Company's expense. The employee may receive a copy of the report on request to the doctor. If the report adversely affects, or may adversely affect, the employee's employment, he may, within six (6) working days, have a competent physician of his own selection conduct an independent examination at his expense, a copy of the report to be furnished the Company. If the two physicians disagree, a third may be called in to make an independent examination at the Company's expense. If a majority consider the original report erroneous any action taken by the Company thereon will be revoked. The third doctor shall be selected by the two physicians first mentioned, and shall be a specialist with special training pertinent to the case under consideration. Provided, however, that if the employee's duties involve or affect the safety of others the Company may transfer him to other duties where such hazard does not exist, notwithstanding the finding of the majority of the medical examiners.

## **ARTICLE 16**

### **GROUP MEDICAL, DENTAL, AND VISION PLANS**

During the term of this Agreement the Company agrees to provide medical, dental and vision benefits to all bargaining unit employees at the Lucky Friday Mine, and their eligible dependents, under the same group plans provided to other employees of Hecla Limited. Details of the Group Medical, Dental, and Vision Plans (collectively "Group Plans") will be provided to each employee in the form of Summary Plan Descriptions. An employee's rights and obligation under the Company's Group Plans shall at all times be governed by the actual plan documents. With the exception of the Medical Premium Cost Share percentages, which are fixed as stated below only until December 31, 2019, the terms of these health plans, including the premium rates and percentages, shall be subject to any change or revision which is made generally effective throughout the company. The Company will offer to meet with the Union president, or his designee, at least sixty (60) days prior to the renewal of any Group Plan, to discuss Group Plan revisions, cost sharing modifications, or other changes made generally effective throughout the company (the "Renewal Notification").

Medical Premium Cost Share:

	<u>Bronze Plan</u>	<u>Silver Plan</u>	<u>Gold Plan</u>
January 1, 2017	No Premium	5.0%	15.0%
January 1, 2018	No Premium	7.5%	17.5%
January 1, 2019	No Premium	10.0%	20.0%

Dental & Vision Premium Cost Shares:

	<u>Dental Plan</u>	<u>Vision Plan</u>
January 1, 2017 – December 31, 2017	10.0%	10.0%

In the event that the premiums are forecast to increase in excess of 20% in any plan year, the Union may notify the Company of its desire to meet regarding potential plan design changes that could help offset the projected premium increases. Upon the Company receiving such notification, the General Manager or his designee shall meet with the Union president or his designee. If after two (2) weeks following the Renewal Notification, the parties fail to reach agreement on modified plan design changes, the Company shall have the right to implement such premium increases.

## ARTICLE 17

### NON-OCCUPATIONAL DISABILITY PLAN

- a. During the term of this Agreement, a disability compensation program shall exist for the benefit of the active employees, with the cost thereof to be paid by the Company. (Active employees are those receiving a weekly paycheck for time worked or vacation pay.) The benefits are to be \$375.00 per week, or a fraction thereof.

The benefits are stated in weekly amounts, and are payable for any whole week, or if less than a full week, proportionately for any fraction thereof in which an employee is disabled, and are payable commencing the first day disability results from an accident, or the sixth day if from illness, the first week of illness being payable after the 28th day of continuous illness. Disabled employees must be under the continuous care of a licensed physician. Benefits paid for the maximum period of 26 weeks, in any rolling 52-week period, terminate the disability benefits.

- b. Coverage goes into effect after 90 calendar days of employment, unless the employee is disabled and unable to work. In this case, coverage becomes effective upon date of returning to work.
- c. An employee who has exhausted the 26 weeks of disability benefits shall renew such benefits after completing 26 calendar weeks of work, following his return from NOD status.

## ARTICLE 18

### LIFE INSURANCE

The Company agrees to pay the cost of life insurance for each of its employees according to the following schedule. Details of the life insurance plan will be provided to each employee in the form of a Summary Plan Description. In all cases, an employee's or an employee's estate's eligibility to receive life insurance benefits shall be governed by the actual policy documents and applicable endorsements.

<u>Length of Service</u>	<u>Life Insurance</u>
0 - 3 years	\$ 20,000
Over 3 Years	\$ 30,000

The Company will make a good faith effort to make available to its employees the right to buy matching amounts of life insurance at the same cost as Company's cost.

Upon retirement of an employee under the Company's Retirement Plan life insurance coverage of \$8,000 will be continued without cost to the retiree, for those who retire during the time period covered by this Labor Management Agreement.

An accidental death and dismemberment provision shall exist for all coverage; further, in the event that the death or dismemberment is as a result of an accident that is covered by Workmen's Compensation the accidental death and dismemberment provision shall not apply. The Company will make a good faith effort to make available to its employees the right to buy matching amounts of accidental death and dismemberment insurance at the same cost as the Company's cost.

Life insurance coverage for disabled employees will continue for employees unable to work because of industrial illness or accident. However, once it has been determined that the employee will be unable to return to work at the Lucky Friday mine due to a permanent disability, the life insurance will be discontinued.

## ARTICLE 19

### STRIKES AND LOCKOUTS

- a. During the life of this Agreement the Company will not cause any lockout as a result of a dispute between the parties hereto, nor will the Union cause or engage in, or take part in any concerted work stoppage or strike. The Union will not cause or engage in, or authorize its members to cause or engage in, or take part in any strike or work stoppage or curtailment of work or restriction of production, or interference with the production of the Company.

- b. The Union agrees that there will be no negotiations by and between the Management and the Union relative to any grievance that has resulted in a work stoppage until such Work Stoppage has ended and the participants have returned to work.

## **ARTICLE 20**

### **UNION BULLETIN BOARDS AND SOLICITATIONS**

The Company will provide two bulletin boards for the use of the Union on which to post notices pertaining to Union affairs. Such bulletin boards will be locked, with the Company and the Union each having a key. All notices appearing on such bulletin boards shall be approved and signed by the President or Financial Secretary of the Local Union before posting, and if other than routine notices, shall also be approved by the Company.

The Company agrees to permit the Union to make solicitations in the Dry for donations which first have been approved by the Company and the Union, and to post subscription lists for such approved solicitations in the Dry and upon any other bulletin board provided by the Company for that purpose. The Company agrees to deduct such donations from employees' earnings when specifically authorized and directed by the signed subscription.

## **ARTICLE 21**

### **CONTRACT BOOKLET**

Within six (6) months of ratification of this Agreement, and receipt of the Union's executed signature pages, the Company will provide sufficient number of printed copies of this contract booklet to enable each member of the Lucky Friday Bargaining Unit to secure a copy. The Company will also provide a sufficient number of copies to allow each employee to secure a copy of the following:

- a. The Summary Plan Description of Group Medical, Dental, and Vision Plans
- b. The Summary Plan Description of the Group Life Insurance Plan (including accidental death and dismemberment provisions)
- c. The Summary Plan Description of the Pension Plan.

## **ARTICLE 22**

### **RETIREMENT**

The retirement program is reestablished for the benefit of the employees of the Lucky Friday Mine as of [Date of Contract Ratification]. The Amended Pension Plan



Agreement (“Pension Plan”) shall be provided to each employee in the form of a Summary Plan Description. The Normal Retirement Benefit factor pursuant to Article III. C. of the Pension Plan shall be \$44 throughout the term of this Agreement. In all cases, benefits under this Article will be governed by the actual Pension Plan document.

## GENERAL

It is further recognized that this Agreement may be amended subsequent to [Date of Contract Ratification}, in order that the Pension Plan and related Permanent Total Disability Benefit Plan, and other employee benefit plans, as applicable, will be amended to conform to the requirements of the Employee Retirement Income Security Act of 1974 or any amendments thereto, or any other state or federal law. Such changes made by the Company in order to comply with such laws shall automatically be incorporated herein. In such event, the Company shall notify the Union with respect to the changes required. If the Union desires to meet and discuss the changes, it will give prompt notice of its desire and the Company and Union will meet to discuss same but such discussions shall not be open to provisions other than those for which change is required.

### 401(k) Plan

The Company match shall be \$0.55 per each \$1.00 of an employee’s contribution to the Plan up to 5% of the employee’s gross income.

## ARTICLE 23

### SUCCESSORS AND ASSIGNS

This agreement shall be binding upon the successors and assigns of the parties hereto.

## ARTICLE 24

### LAYOFF

#### Section 1- Eligibility

- a. All hourly-rated employees employed by Hecla Limited at the Lucky Friday Mine shall be eligible for lay-off benefits upon the completion of one year of unbroken service with the Company. Any absence from work that does not constitute a termination of the employment relationship shall be ignored for purpose of eligibility and computation of years of service. An employee who meets the requirements of this Article shall receive payments without regard to:

1. any other benefit of payment received by the employee,
2. the employment status of the employee except as covered in Article 24, Section 2(a).

Employees whose employment relationship with the Company is terminated for any reason other than layoff shall not be eligible for or receive any benefits under this plan.

- b. An employee eligible in accordance with Paragraph A above, shall receive layoff benefits if the employee meets the following requirements:
  1. The employee is laid off due to lack of work because of a reduction in the work force at the Lucky Friday Mine. (Reduction in the work force means that it is necessary to reduce the number of employees due to a reduction in the scale of operations or a total shutdown of the mine and/or mill.)
  2. The lay-off period exceeds fourteen (14) consecutive calendar days.

## **Section 2 - Monetary Benefits**

Employees eligible in accordance with Section 1 above shall receive a supplemental unemployment benefit of \$150 per week beginning on the fifteenth (15th) consecutive day of layoff and continuing at \$150 per week payable on the Company's current bi-weekly payroll schedule until either:

- a. The employee is recalled to work or rehired by the Company, or
- b. Ten (10) consecutive weeks have elapsed, whichever occurs first.

If the employee is recalled and returns to work during a calendar week for which the benefit is due and payable, the benefit shall be prorated on the basis of one seventh (1/7) of the weekly amount due for each day. If a laid-off employee is recalled or rehired before the 10 weeks of benefits have been exhausted and is subsequently laid off within one year from the date he returns to work, the employee will be eligible to receive the remainder of the 10 weeks of benefits in accordance with this Article.

If the time between recall or rehire and subsequent layoff exceeds one year, the employee will be eligible for another 10 weeks of benefits in accordance with this Article.

Payments made in accordance with the provisions of this plan shall be subject to statutory deductions or withholding according to I.R.S. regulations, currently published in Circular E.

### **Section 3 - Insurance Benefits**

Laid-off employees will retain coverage under the Group Medical, Dental, Vision, and Life Insurance Plans for two (2) months following their date of layoff, provided the laid off employee does not have comparable coverage available from any other source.

After this two (2)-month period, employees may continue medical, dental and vision coverages, individually or in sum, under the regulations of Federal Law G2-272 Title X (COBRA).

Also after the initial two (2)-month period of layoff, employees may continue coverage under the Group Life Insurance Plan for up to one (1) year by paying the premium in effect at the time of layoff.

### **Section 4 - Order of Layoff and Recall**

- a. A layoff for lack of work due to a reduction in the work force will begin on the date stated in the employee's notice of layoff.
- b. If a reduction in work force becomes necessary, seniority, for purposes of determining layoff position, will be Lucky Friday Plant seniority.
- c. If more than one employee is relatively equally qualified for a specific job, and layoff occurs, the employee(s) with greatest seniority shall have preference.
- d. No credit will accumulate for vacation while an employee is on laid-off status.
- e. Pay for vacation time accumulated to date of layoff may be taken at the time of layoff, or any time during the layoff period.
- f. Recall after layoff
  1. Recall of employees laid off, and still eligible for recall, will be based upon Lucky Friday Plant seniority to the extent that they are relatively equally qualified to perform the jobs available.
  2. If more than one employee is relatively equally qualified to a specific job, seniority will govern in determining the order of recall.
  3. In the event of a layoff not exceeding thirty (30) days, the failure of the employee to return to work within one week after being notified to return to work, or in the event such layoff exceeds thirty (30) days, and the failure of the employee to return to work within two weeks (plus necessary travel

time, not to exceed one week) will automatically terminate any rights provided the employee by this policy.

Such notice to return to work may be made:

- a. in person by an authorized Company official; or
  - b. by telephone, or
  - c. by registered or certified mail addressed to the last address furnished by the employee to the Company, in which case the notification period begins the date a registered or certified notice is mailed.
4. In the case of employees with less than two (2) years of continuous service, recall rights under this policy will terminate after a period of layoff equal to employee's length of continuous service.
  5. In the case of employees with more than two (2) years of continuous service, recall rights under this policy will terminate after a period of layoff equal to two (2) years.

## **ARTICLE 25**

### **EMPLOYEE PROFIT SHARING PLAN**

The Company agrees to maintain an Employee Profit Sharing Plan for all hourly employees at the Lucky Friday Mine beginning [Effective Ratification Date of CBA], and continuing for the remaining term of this Agreement.

During the term of the Labor-Management Agreement the profit sharing plan for all hourly employees at the Lucky Friday mine will be as outlined below:

- a. Twelve and one-half percent (12.5%) of the first one million two hundred thousand dollars of mine profit per month will be allocated to the employee profit sharing plan for distribution to the employees.
- b. For any monthly profit in excess of one million two hundred thousand dollars, five percent (5%) will be allocated to the employee profit sharing plan for distribution to the employees. (For example: If the monthly mine profit is \$1,500,000, the employee profit share allocation will be twelve and one-half percent of one million two hundred thousand dollars plus five percent of \$300,000.)
- c. For the purpose of this plan, profit will be defined as Net Income as calculated on the Lucky Friday Statement of Operations.
- d. A new employee will be eligible for inclusion in this plan only after ninety (90) calendar days of continuous employment.

- e. To be eligible for payment pursuant to the Profit Sharing Plan, an employee must be actively employed as of the last day of the calendar month for which payment is being calculated.
- f. Profit share allocation will be based on actual regular hours worked. For purposes of this plan, regular hours worked will include vacation and holiday hours, and hours accrued by Union officials performing business for the Union in lieu of a regularly scheduled shift, but will specifically exclude overtime work and other time not actively at work at the Lucky Friday mine.
- g. Distribution will be made monthly during the month following the month in which a profit exists. Employees will not have to make up cumulative losses; however, no profit share will be allocated for months in which no profits occur.

**ARTICLE 26**

**EFFECTIVE DATE AND TERM OF CONTRACT**

This Agreement shall become effective as of the [Contract Ratification Date] \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, and shall remain in full force and effect until and including \_\_\_\_\_ [Six Years from Ratification Date] \_\_\_\_\_, 20\_\_\_\_, and shall renew itself for a period of one (1) year from year to year thereafter unless either party submits a notice in writing by registered mail to the other party not less than sixty (60) days nor more than ninety (90) days prior to \_\_\_\_\_, 20\_\_\_\_, or prior to any subsequent expiration date, requesting that this contract be modified or terminated. In the event said notice is given by either party, both parties shall have the right during negotiations, to request revision of any provisions of this Agreement.

Those sections of this Agreement on which no revision is requested by either party shall automatically renew themselves as hereinabove provided.

The parties specifically waive their rights to request bargaining under Section 8(d) of the Labor-Management Relations Act of 1947 during the term of this Agreement or any automatic renewal thereof with respect to matters not specifically covered by this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers or representatives this \_\_\_th day of \_\_\_\_\_, 20\_\_\_\_.

The term of this Agreement shall be from \_\_\_\_\_, 20\_\_\_\_ through \_\_\_\_\_, 20\_\_\_\_.