

2007

AGREEMENT

by and between

**BHP COPPER INC.
PINTO VALLEY DIVISION**

and

**INTERNATIONAL BROTHERHOOD OF
TEAMSTERS, CHAUFFEURS, WAREHOUSEMEN
AND HELPERS OF AMERICA,
Local No. 104**

**INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL NO. 428, AFL-CIO**

**INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS LOCAL NO. 518, AFL-CIO**

**THE UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING,
ENERGY, ALLIED INDUSTRIAL AND SERVICES WORKERS INTERNATIONAL UNION
(AFL-CIO-CLC)**

**INTERNATIONAL BROTHERHOOD OF
BOILERMAKERS, IRON SHIP BUILDERS,
BLACKSMITHS, FORGERS AND HELPERS,
LOCAL NO. 627, AFL-CIO**

**UNITED ASSOCIATION OF JOURNEYMEN AND
APPRENTICES OF THE PLUMBING AND PIPEFITTING
INDUSTRY OF THE UNITED STATES AND CANADA
LOCAL NO. 469, AFL-CIO**

JOINTLY

ARTICLE I PARTIES TO AGREEMENT

The parties to this Agreement are BHP COPPER INC., PINTO VALLEY DIVISION, hereinafter called the "Company," and INTERNATIONAL BROTHERHOOD OF TEAMSTERS, CHAUFFEURS, WAREHOUSEMEN AND HELPERS OF AMERICA, NO. 104; INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 428, AFL-CIO; UNITED ASSOCIATION OF JOURNEYMEN AND APPRENTICES OF THE PLUMBING AND PIPEFITTING INDUSTRY OF THE UNITED STATES AND CANADA, LOCAL NO. 469, AFL-CIO; INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL NO. 518 AFL-CIO; UNITED STEELWORKERS; AND INTERNATIONAL BROTHERHOOD OF BOILERMAKERS, IRON SHIP BUILDERS, BLACKSMITHS, FORGERS AND HELPERS, LOCAL NO. 627, AFL-CIO (Jointly), hereinafter referred to as the "Union."

ARTICLE II RECOGNITION

The Company, pursuant to a certification of the National Labor Relations Board in Case No. 28RC2592, dated 26th day of October, 1973, recognizes the Union as the exclusive representative for the purpose of collective bargaining in respect to rates of pay, wages, hours of employment and other conditions of employment, for the employees of the Company within the bargaining unit as defined in the certification.

As a result of 1986 contract negotiations, merge the Miami Unit bargaining units (Metal Trades, IBEW, Teamsters, Operating Engineers, USW) and the Miami East bargaining units (USW, IBEW) into the Pinto Valley bargaining unit and Agreement.

ARTICLE III DURATION OF AGREEMENT

Three Year Term

The parties hereby enter into this Agreement, which shall be effective as of July 1, 2007 and shall remain in effect from that date through June 30, 2010, and from year to year thereafter, unless either party gives the other not less than sixty (60) days written notice, prior to the scheduled expiration, of termination or modification of this Agreement.

ARTICLE IV MANAGEMENT RIGHTS

The Company retains all rights to operate its business and manage the workforce, except to the extent that such rights are expressly limited or surrendered by specific provisions of this Agreement.

ARTICLE V STRIKES AND LOCKOUTS

Section A.

The Union agrees that during the term of this Agreement there shall be no strike, sitdown, slowdown or stoppage of or interference with work, and the Company agrees that there will be no lockout of its employees.

Section B.

Any employee who violates this article shall be subject to discipline and/or discharge by the Company.

ARTICLE VI AUTHORIZED REPRESENTATIVES OF THE UNION

The Union shall designate a reasonable number of employees from the Bargaining Unit, including the duly elected members of the Union Pact Committee, who will be the only employees authorized to conduct business with the Company for and on behalf of the Union. The Union will provide a written current list of the representatives to the Human Resources Department listing the names of the authorized representatives of the Union and will provide a new written current list to the Human Resources Department when any changes are made in the list.

ARTICLE VII WORK PRACTICES

At or below the training level, an employee may be instructed or assigned to assist on a variety of jobs and will be expected to acquire the knowledge, skills and ability to perform a variety of work associated with such job assignment safely.

An employee above the training level will normally be assigned to a regular job. However, it is understood and agreed that such employee may be used to perform or assist on work outside his normal job assignment, provided he is qualified to safely perform the job.

At all job levels, it is understood and agreed that irrespective of his job assignment or classification, an employee will perform whatever work is required to safely accomplish the job to which he is assigned within the limits of his skills and training.

It is the intention of the Company to apply this provision in a fair and reasonable manner, as it is not the intent of the Company to erode craft identity. It is further understood that job assignments will be made utilizing available manpower and within employee classification whenever practical. If the Union feels this provision is being abused, a Joint Union Management Task Force from the area involved will be assigned to review the matter and discuss their findings with the General Manager.

TOOLS AND EQUIPMENT

Any tool and equipment which are provided by the company may be used by a qualified employee in the performance of his job, training inclusive, with the approval of a supervisor.

SAFETY AND OPERATING RULES

The Safety and Operating Rules, as published and hereinafter revised by the Company, or supplemented by notices posted on bulletin boards by the Company, shall continue to govern operations. Employees are responsible for familiarizing themselves with, and adhering to, the Safety and Operating Rules of the Company. The Company will not make any changes in such rules for the purpose of evading the provisions of this Agreement.

ARTICLE VIII HOURS OF WORK AND WORK SCHEDULES

Section A. Workweek and Hours of Work

The regular workweek shall consist of seven (7) consecutive days beginning Monday at 12:01 A.M. and ending the following Sunday at twelve (12) midnight. Normally work is scheduled on the basis of a standard workweek of forty (40) hours, consisting of five (5) scheduled eight (8) hour days. The workshifts may be designated in any consecutive or non-consecutive number of workdays. Except in the case of relief men, employees on five (5) days per week basis shall be given consecutive days off even though they fall in different workweeks.

Section B. Workday

The workday is the twenty-four (24) hour calendar day beginning at 12:01 a.m. and ending the following twelve (12) A.M.

Section C. Workshift

The standard workshift is eight (8) hours and is the number of hours an employee may be worked at applicable base rates of pay. In continuous operations, workshifts are referred to as Day Shift, Evening Shift and Night Shift.

Section D. Work Schedules

1. Work schedules shall be established by the Company.
2. Changes in the employee's regular work schedule shall be posted by 8:00 A.M. on Friday preceding the commencement of the workweek involved. Employees are responsible for determining and complying with their individual work schedule from the posted schedule.
3. Changes in work schedules after 8:00 A.M. Friday may be made prior to the start of the regular workweek because a scheduled employee cannot work for any reason as scheduled without the requirement on the part of the Company to pay a premium for the schedule change.
4. An employee whose scheduled work shift is changed to another shift after the workweek commences shall be paid at the rate of time and one half for the first changed shift except when:
 - a. The change is made at the employee's own request.
 - b. Promoted to a vacancy on another shift.

5. An employee whose scheduled days off are changed to different days off after the workweek commences shall be paid at a rate of time and one-half for the first workshift after the change except when:
 - a. The change is made at the employee's own request.
 - b. Promoted to a vacancy on another shift.
6. If an employee, at the request of the Company, is required to work back-to-back shifts, the Company will pay time and one-half for the second shift worked.

Section E. Shift Rotations

1. Single Shift Operations

- Employees are not required to rotate.

2. Two and Three Shift Operations

- Employees will be rotated on an equal basis, except that employees assigned to duties which are normally performed on only a single shift in each work day are not required to rotate.

However, in case of an operation where a day shift steward is assigned, employees other than the day shift steward need not be rotated on an equal basis. The senior employees in the same classification shall be given the first opportunity to accept a job which does not rotate.

Section F. Lunch Periods for Scheduled Workshifts

1. Rotating Shifts

Employees in rotating shift service in continuing operations will be permitted to eat their lunch while on duty at a time that will not interfere with the operation. When such employees are not engaged in continuous operations, the lunch period shall be one-half hour during which the employees are relieved of all duties. In no event will an employee be required to work for more than five hours from the start of his shift without a lunch period.

Mine Operations Department & Mine Department Running Maintenance Only

A. & B Shifts - Employees will be permitted to eat their lunch while on duty at a time that will not interfere with the operation. C Shift - The lunch period is one-half hour at approximately the middle of the work shift during which period the employees shall be relieved of all duties. Such lunch period shall be counted as time worked for purposes of an eight (8) hour shift.

2. Non-Rotating Groups

For non-rotating groups of employees, the lunch period is one-half hour at approximately the middle of the workshift during which period the employee is relieved of all duties. Such lunch period will not be counted as time worked. The lunch period may be fixed at different times, ranging from one (1) hour before to one (1) hour after the mid-point of the shift. If an employee has his lunch period interrupted after having started to eat or who is required to work without a lunch period beyond five (5) hours from the beginning of his shift, such employee shall be paid for one half (1/2) hour lunch period at time and one-half. An employee required to work more than five (5) hours from the beginning of his shift shall be given a lunch period as soon as practical thereafter.

An employee assigned to work underground at the Miami Unit for four (4) or more hours shall qualify for a paid lunch for that work shift.

Section G. Lunch Periods Outside Normally Scheduled Hours

1. Employees Working Overtime

Employees working overtime under the provisions of this Agreement shall not be required to work more than five hours after the last meal period without being allowed a thirty-minute period for lunch on Company time. Employees who work overtime more than one hour after their regular shift ends will be entitled to a lunch. In such cases the Company shall furnish adequate hot lunches with choice of hot beverage.

2. Call-Out

Employees working on call-out under the provisions of this Agreement shall not be required to work more than five (5) hours after reporting on call-out without being allowed a thirty-minute period for lunch on Company time. In such cases, the Company shall furnish adequate hot lunches with choice of hot beverage.

When the call-out occurs on the shift immediately preceding an employee's regularly scheduled work shift and before the normal lunch break of the shift on which he is called out, he will be furnished one lunch upon reporting for work or at the normal lunch period, and two lunches on his scheduled shift; one at the beginning and the other at the normal lunch period. If such call-out occurs after the normal lunch period of the shift on which he is called out, but no later than one hour before the end of the shift, he will be furnished a lunch at the beginning of his regular shift and one at his normal lunch period.

3. Scheduled Work on Scheduled Day Off

An employee scheduled to work an eight (8) hour shift on his scheduled day off shall not receive a Company furnished lunch; however, if such employee is required to continue working beyond eight (8) hours, lunch will be provided as soon as practicable after the employee has worked more than five (5) hours since the end of his last lunch period. If an employee is required to continue working beyond this point, lunch will be provided at substantially five (5) hour intervals thereafter.

4. Waiver of Lunch

It shall be optional for non-rotating employees working overtime or on call-out to accept in lieu of lunch and lunch period one hour's extra pay at overtime rate (time and one-half). When non-rotating employees are working as a crew, the crew as a unit shall elect whether to waive lunch and lunch period or to eat lunch. In the event of a tie vote, flipping of a coin will cast the deciding vote. It shall be optional for employees working overtime or on call-out on rotating shift jobs, to accept in lieu of lunch due under this Agreement one-half (1/2) hour pay at overtime rate or a meal voucher equivalent to one-half (1/2) hour at the employee's overtime rate for use only at a single local restaurant.

No employee shall be entitled to waive more than one lunch during a work day when working overtime or on call-out except when a crew completes a job at a time when a lunch is due under this Agreement; the crew as a unit may elect to waive the lunch and lunch period and receive compensation in lieu thereof as above provided. A majority vote will constitute the decision of the crew. In the event of a tie vote, flipping of a coin will cast the deciding vote.

ARTICLE IX

RATES OF PAY, OVERTIME AND PREMIUM PAY

Section A.

1. Rates of Pay

All rates of pay and rate levels covered by this Agreement are set forth in Exhibit A. When a new job is created or when the job content of an existing job is substantially changed, the job may be filled temporarily. The Company may establish a temporary rate for such job and negotiations shall commence immediately to establish a permanent rate. Failing to agree as to the permanent rate within a reasonable time, the matter may be submitted by either party to arbitration to determine the permanent rate for the job. In the event the permanent rate is higher than the temporary rate, the higher rate shall be paid retroactively to the date the job was started.

2. Leadman

When an employee is assigned to work as a Leadman, the employee will receive Leadman rate of pay. The Leadman may be required to work with tools or operate equipment. The Leadman rate of pay will be two levels above the highest base rate of pay (EXCLUDING CDL ADJUSTMENT) of employee or employees supervised or higher at the discretion of the Company. It is understood that if a Leadman has an active CDL, he/she will receive the appropriate CDL adjustment in addition to the Leadman rate of pay. However, the maximum rate of pay will not exceed level #13, and the minimum rate of pay will not be less than #6. An employee working as a Leadman will be paid for all hours at the appropriate rate.

3. Work in Different Jobs

In the event a qualified employee performs the work of another job carrying a higher rate of pay, he shall receive the higher rate of pay for that job in accordance with the following schedule:

- Accumulated time up to one (1) hour during an eight (8) hour shift - Pay for 1 hour.
- Accumulated time over one (1) hour up to 4 hours - Pay for 4 hours.
- Accumulated time over four (4) hours up to eight (8) hours - pay for eight (8) hours if he completes the entire shift.

However, employees who are learning, "breaking-in", or being trained on a job will receive their regular rate of pay during such assignment except when the employee is assigned to perform work by himself and is required to accept full responsibility for the job. A laborer who is assigned to perform portions of a higher paying job will not receive a write-up to a higher rate of pay.

When an employee is assigned, temporarily, to perform the work of a lower paying job there will be no reduction in the employee's regular rate of pay during such assignment.

Section B. Overtime

1. Daily Overtime

For the first eight (8) hour period in excess of working a standard eight (8) hour work shift, overtime will be paid at the rate of time and one half regular base rate of pay. Overtime for the first hour shall be paid in accordance with the following schedule:

- 15 minutes or less - Pay for 15 minutes
- Over 15 minutes - Pay for actual time worked

If an employee works overtime more than sixty (60) minutes, his card shall show the time actually worked. However, when such work in excess of eight (8) hours is occasioned by shift changes which will not occur to an individual employee more than once in any two week period, the foregoing shall not apply. Overtime will be paid at the rate of time and one-half regular base rate of pay for all consecutive hours worked before the normal work shift begins. An employee shall not be allowed to work more than sixteen (16) consecutive hours nor more than two (2) consecutive days of double shifts, except in cases of extreme emergency. In such cases, the employee shall be paid at the rate of two (2) times his base rate for the consecutive hours worked in excess of sixteen (16) consecutive hours. An employee, if scheduled to return to work within eight (8) hours, shall not be allowed to work more than eight (8) hours on the returned shift.

An employee required by the Company to begin in advance of and consecutive with his regular scheduled starting time shall not be required to lay off in advance of his regular quitting time to avoid payment of overtime or to provide work for other employees. Such work in advance of his regular starting time shall result in the equivalent amount of daily overtime.

When an employee is sent home during his regularly scheduled shift after working sixteen (16) hours, he shall be paid at straight time the remainder of the shift or up to four (4) hours, whichever is less.

2. Weekly Overtime

All time worked in excess of forty (40) hours in a workweek shall be paid at the rate of one and one-half times base rate of pay for hours worked.

Hours for which daily overtime or premium time is paid shall not be counted again in computing weekly overtime. Time paid for, but not worked, shall not be considered in computation of overtime.

For individuals who work on a four-crew schedule and work a regularly scheduled 6th day which by Agreement is paid at overtime rate and which is also a holiday, the Company will pay both overtime premium and holiday premium for time worked on that day.

3. Distribution of Overtime

Overtime procedures will be handled in accordance with the procedures in effect at the signing of this Agreement. If overtime must be assigned, the assignment will be made to the junior employee in the classification within the area, shop or crew (Concentrator HD Mechanics - Classification on the property) who is on the property as set forth in the letters of Agreement for the Maintenance Department between the Company and the Union (Boilermakers, Pipefitters, Electricians, Concentrator H.D. Mechanics, Mine HD Mechanics, Tire/Lube Service Mechanics, Machinists, and Laborers). If the Union feels there is a problem regarding the administration of overtime, such problem may be discussed between the Chief Steward in the area and the Department Superintendent. No employee shall be required to work weekly overtime more often than two (2) days per month.

Overtime work in the Concentrator Department Operations shall be according to Exhibit "E".

Section C. Premium Pay

1. Reporting Pay

Unless an employee is notified not to report to work, an employee reporting for work on his regular scheduled workshift and who is released without performing work shall be paid six (6) hours at his regular base rate of pay.

2. Released From Work Before Completing a Regular Shift of Work

- a. An employee released from work before completing one half (1/2) of a regular scheduled shift will be paid for one-half (1/2) of a shift.
- b. An employee released from work after working into the second half of a regular scheduled workshift will receive a full shift of pay.

The foregoing shall not apply to employees who cease work for other than Company reasons before completion of their workshift.

3. Call-Out

An employee who is called out for work outside normal scheduled hours of work will be paid at one and one-half (1-1/2) the employee's regular base rate of pay for actual hours of call-out work or the equivalent of four (4) hours at the regular base rate of pay, whichever is greater.

An employee required by the Company to begin in advance of and consecutive with his regular scheduled starting time shall not be required to lay off in advance of his regular quitting time to avoid payment of overtime or to provide work for other employees. Such work in advance of his regular starting time shall result in the equivalent amount of daily overtime.

An employee shall not be eligible for call-out unless such employee has a telephone in his residence and has his correct phone number on file with the Company from the following communities:

Apache Junction
Florence Junction
Globe-Miami
Hayden-Winkleman
Kearny
Queen Valley
Roosevelt
San Carlos
Superior

At the time an employee is "called-out," the employee shall be notified by the supervisor who calls the employee out whether or not the employee will be required to drive the employee's own car to report to the job. In the event the employee uses the employee's own car to report to the job on a call-out, the employee shall receive a mileage payment of twelve dollars and fifty cents (\$12.50) for the round trip from any location.

When an employee is called out he shall not be required to do routine work to complete the four (4) hours but may be required to do other work that develops before he has left the property which would normally be call-out work.

4. Shift Differential

For employees assigned to work Evening Shift or Night Shift, the employee will be paid, in addition to the employee's regular base rate, a shift premium of thirty (30) cents an hour on Evening Shift and forty-five (45) cents an hour on Night Shift.

5. Returning to Work in Less Than Seven (7) Hours After Working Overtime or Call-Out

Except in cases of scheduled shift change, if an employee works overtime, either consecutive to the normally scheduled work shift or on call-out, and returns to work on the following normally scheduled shift in less than seven (7) hours, the employee's rate of pay for said workshift will be one and one-half (1-1/2) times the base rate of pay for the first eight (8) hours worked and two (2) times the base rate of pay for hours worked in excess of eight (8) hours.

6. Work on Regularly Scheduled Day Off

Any employee who is required to work on a regularly scheduled day off will receive one and one-half (1-1/2) times regular base rate of pay of the rate applicable to his occupation during the hours he works on such scheduled day off except:

- a. When an employee is entitled to time and one-half regular base rate of pay under any other provision of this Agreement, or
- b. When the employee has missed one or more scheduled shifts during the workweek involved (jury duty, bereavement leave, witness duty and union business as specified in this Agreement, shall not be included as missed shifts for the purpose of this clause).

7. Deviation From Normal Starting and Quitting Time

An employee whose normal starting or quitting time deviates more than one (1) hour before or more than one (1) hour after the normal starting time of the department group (Mine Operations, Concentrator Operations, Maintenance Operations, Warehouse, SXEW Operations and Miami Unit as defined in area preference agreement) he is assigned from will receive shift differential for the actual hours worked on the appropriate shift.

Section D. No Pyramiding or Duplication of Overtime and/or Premium Payments

There shall be no pyramiding or duplication of overtime and/or premium payments. All overtime work will be paid on the basis of actual time worked.

ARTICLE X HOLIDAYS AND HOLIDAY PAY

Section A. HOLIDAYS—NO CHANGE

The following shall be recognized as Holidays, and shall be observed on the days indicated:

New Years Eve Day.....	December 31
New Years Day	January 1
Easter Sunday	
Memorial Day	Last Mon in May
Independence Day	July 4
Labor Day.....	1st Mon in Sept
Thanksgiving.....	4th Thur in Nov
Christmas Eve Day.....	December 24
Christmas Day	December 25
Floating Holiday.....	See Section D Below

Section B. Holiday Worked

1. Scheduled Work

Employees shall be paid their regular base rate of pay for normal scheduled daily hours plus time and one-half (1-1/2) their regular base rate of pay for all normal scheduled hours worked on a Holiday.

When an employee is required to work in excess of normal scheduled hours, the employee shall be paid three (3) times his regular base rate of pay for hours worked in excess of eight (8) hours on a Holiday, and three and one-half (3-1/2) times his regular base rate of pay for hours worked in excess of sixteen (16) hours on a Holiday.

2. Holiday Work

In Concentrator Operations, if a specific job or jobs is scheduled to operate, the employee or employees who would normally fill these jobs shall be the first to be scheduled to work. If the position is not filled, then the senior qualified employee from the shift crew in which the vacancy is occurring will be asked.

3. Call-Out

In case of a call-out on one of the above listed holidays, the total compensation the employee shall receive for all time worked on a holiday shall be the regular base rate of pay for normal scheduled daily hours plus four (4) hours at his regular base rate of one and one-half (1-1/2) times his regular base rate for time worked up to eight (8) hours whichever is greater. When an employee is required to work in excess of eight (8) hours on call-out, the employee shall be paid three (3) times his regular base rate of pay for hours worked in excess of eight (8) hours on a holiday and three and one-half (3-1/2) times his regular base rate of pay for hours worked in excess of sixteen (16) hours on a Holiday.

Section C. Holiday Not Worked

1. All employees who are not required to work (including those on scheduled days off), will receive their regular base rate of pay for normal daily scheduled hours, however, this payment shall not apply unless the employee has completed sixty (60) days worked with Pinto Valley Division and worked a minimum of two (2) straight time shifts during the workweek in which the holiday occurs, unless, with the exception of probationary employees, such employee has been authorized by the management to be absent.
2. If any employee is scheduled to work on a holiday, but fails to do so, he will receive no pay for the holiday.
3. A holiday not worked shall not be considered as time worked in the computation of weekly overtime.
4. When an employee is "off work" under any provision of this Labor Agreement, except as specifically provided in this holiday provision, and except under the vacation provision, this holiday provision shall have no application.
5. An employee who, in advance, requests to be relieved of duty on a holiday shall be so relieved if it is consistent with operating requirements, and if, where a replacement is required, such replacement is available.
6. An employee on leave of absence or layoff shall receive no unworked holiday pay for any holiday included within the period of such leave of absence or layoff (except an employee on leave of absence for three (3) weeks or less because of certified Union business).
7. However, an employee who qualified for holiday pay in Section C above, and who has been authorized by management to be on a sick or disability leave of absence, shall be paid for one (1) holiday occurring during the leave or two (2) holidays occurring within fourteen (14) days following commencement of such leave.

Section D. Floating Holiday

1. Substitute one (1) floating holiday to replace one (1) of the nine (9) holidays as set forth above.
2. The Floating Holiday may be changed by the Union each calendar year with notice to the Company by the end of November.
3. Requests to observe a floating holiday shall be filed in writing with an employee's immediate supervisor, or, if the immediate supervisor is not available, with any supervisor in the employee's department at least three (3) days in advance, except in cases where the employee provides evidence satisfactory to the Company that it was not possible to do so. An employee who requests to observe a floating holiday shall be granted same if his request is consistent with operating requirements.

ARTICLE XI LEAVE OF ABSENCE AND FURLOUGH

Section A. Leave of Absence

It is understood that all Leaves of Absence, except as otherwise noted in this Article, shall be without pay.

When an employee is not on duty at the start of or during a shift on which he is scheduled to work, it constitutes an unauthorized absence unless a leave of absence is granted under the provisions of this Article.

All requests for emergency leave of absence will be filed with the Company as soon as possible. All requests for leaves of absence except those due to emergency shall be filed in writing with the employee's immediate supervisor, or, if the immediate supervisor is not available, with any supervisor in charge of the employee's department at least three (3) days in advance except in cases where the employee provides evidence satisfactory to the Company that it was not possible to do so.

Advance notice to the Company of at least sixteen (16) hours shall be required from the employee prior to returning from an indefinite leave.

1. Sick or Disability Leave of Absence

Leaves of absence for sickness, off-the-job injury, or any other non-industrial disability will be granted by the Company up to a maximum of one-hundred eighty (180) days, except by mutual agreement, it may be extended.

As a condition of granting, or continuing such Leave of Absence or allowing an employee to return to work from such leave, the employee must provide evidence of the disability and recovery satisfactory to the Company.

Approved sick or disability leave of absence will be considered as time worked for the purposes of vacation eligibility.

2. Personal Leave of Absence

Leaves of Absence will be granted by the Company upon request of the employee for personal reasons for a reasonable length of time not in excess of forty-five (45) calendar days, provided the reasons for absence are deemed justifiable by the Company and the employee's absence will not seriously interfere with the efficient operations of the business. It is understood, however, that no Leave of Absence will be granted to an employee for the purpose of seeking other employment.

Acceptance of employment for pay or profit during the Leave of Absence shall constitute termination of employment.

3. Union Leave

The Company will grant to an employee a continuous leave of absence for a period not to exceed one (1) year to work in an official capacity for the Union. This leave will be limited to not more than four (4) employees at any given time and may be extended for an additional one (1) year period if the Company and the Union mutually agree to the extension. Upon termination of this Union Leave, the employee shall be reinstated to the employee's same job with all accumulated seniority rights 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 that he makes application to the Company for reinstatement within ten (10) days before said termination. No benefits of employment except seniority shall accrue during the period of absence.

Time off for all local Union business shall count as time worked for vacation entitlement purpose only.

4. Military Encampment

An employee with one or more years of continuous service who is required to attend an encampment of the Reserve of the Armed Forces or the National Guard shall be paid, for a period not to exceed three weeks in any calendar year, the difference between the amount paid by the Government (not including travel, subsistence and quarters allowance) and the amount calculated by the Company in accordance with the following formula. Such pay shall be based on the number of days such employee would have worked up to five (5) days per week had he not been attending such encampment during such two weeks (including any holiday in such three weeks which he would not have worked) and the pay for each such day shall be based on the scheduled hours he would have worked (8, 10 or 12) times his regular straight time base hourly rate of pay (excluding shift differentials, overtime or premium pay, etc.). If the period of such encampment exceeds three weeks in any calendar year, the period on which such pay shall be based shall be the first three weeks he would have worked during such period.

5. Military Leave of Absence

If an employee is drafted into military service of the United States or enlists in the Armed Forces of the United States, he is entitled to re-employment rights at the end of his term of service or at the end of the first term of enlistment in accordance with the provisions of applicable Federal Law. Further details regarding Military Leave of Absence may be obtained from Human Resources.

6. Leave for Incarceration

The Company may grant Leaves of Absence of up to a total of thirty (30) days per calendar year. It is the intention of the Company to apply this provision in a fair and reasonable manner.

7. Court Attendance Leave

If an employee is requested by the Company to attend court or be a witness for the Company in any legal hearing, he will be paid not less than his regular base rate of pay for one (1) shift for each scheduled workshift or fraction thereof while so assigned, and will be reimbursed for any expense as is necessarily incurred in attending such hearing.

8. Bereavement Leave

In case of death of the spouse, children, *mother, *father, brother, sister, grandparents, and grandchildren of the employee, or his spouse, the Company will allow the employee three (3) days off with pay for normal scheduled hours lost at the employee's base rate during a period beginning with the date of death and ending the third day following the funeral, provided the employee notifies the Company as soon as he can before the leave is to commence.

*Mother and Father can be step parents, however an employee is only allowed one set of parents for bereavement pay. All other step-relatives are not included in this provision.

9. Jury Pay and Witness Pay

When an employee is called for service as a juror or subpoenaed as a witness in a Court of Law, the employee will receive eight (8) hours pay at his straight time rate for each day he is scheduled to work, less any fees the employee may receive for such jury duty or witness service. To be eligible for such payments, the employee must furnish the Payroll Department with proof of dates served and the amounts due him for jury service or service as a subpoenaed witness in a Court of Law.

An employee performing service in accordance with this provision shall not work for the Company on any shift during the work day on which the service was performed.

10. Jury Duty Pay when scheduled to work "C" shift

An employee required to report for jury duty while scheduled to work "C" shift, shall be given time off for the scheduled shift preceding and following the date of jury assignment. The employee will receive the difference between normal base rate and the provided jury fees.

Section B. Furlough

If an employee accepts public office or a special engagement requiring absence from his job for an extended period of time up to one (1) year and he desires to be reinstated to employment at the end of the period of public office or special engagement, he may request a furlough. Requests for furlough should be made in writing as soon as possible before the furlough is to take place. A furlough may be extended beyond the first period for good and sufficient reasons acceptable to the Company. Credited Company service rights shall not accumulate during a furlough.

Employees who accept a supervisory position shall be granted a furlough and will retain all credited Company service rights and seniority. However, "Beginning July 1, 1997, and going forward, employees who accept a supervisory position shall be granted a furlough and will retain all credited Company service rights and seniority with the exception of occupational seniority. All employees will retain laborer job classification seniority."

ARTICLE XII SUPERVISORS WORKING

- A.** Supervisors shall not be required or allowed to perform duties of employees except when deemed necessary by the Company and then only:
1. To instruct employees; or
 2. To protect Company property or to assure the safety of employees; or
 3. In case of emergency.
- B.** The Company agrees that these functions shall not be abused and that any abuse thereof shall constitute a grievance.
- C.** Should supervisors perform work contrary to the spirit and intent of this provision to the extent that the performance of such work shall deprive an employee within the bargaining unit the opportunity for re-rate or for assignment to overtime work, the Company will make proper adjustments in rates, or pay that would have taken effect if the supervisor had not performed such work.

ARTICLE XIII MUTUAL GUARANTEES

Section A. Bulletin Boards

The Company shall furnish the Union one (1) bulletin board divided into seven (7) equal sections. The Union agrees to use the bulletin boards for only official Union business. The above mentioned bulletin board will be provided with seven (7) locks and keys which will be furnished to the Union.

Section B. Safety and Operating Rules

1. Operating Rules and Codes of Safety Practice as published and hereafter revised by the Company, shall continue to govern operations included therein. This will not prevent representatives of the employees from conferring with the management in regard to such matters or from appealing complaints against such codes or rules or from suggesting changes therein in the interest of safety. Copies of all rules and codes will be furnished to the employees and the Safety Committee and posted upon the bulletin board and furnished to the Union. No changes may be made in such rules for the purpose of evading the provisions of this Agreement.
2. **COMPANY-UNION SAFETY COMMITTEE**
Composition of Committee
 - Five (5) bargaining unit employees, as selected by the Union.
 - Company Safety Engineers and/or others as determined by the Company.
 - The Union will select various other safety committeemen from A, B & C shifts who will accompany management personnel on safety tours.

Inspections

- Four (4) times per year (once each quarter) to tour and inspect previously agreed upon areas of the mine and to discuss safety problems and safety suggestions.
- One (1) or two (2) bargaining unit employees (one of whom will be an Electrician) from the Union's Committee shall accompany Company personnel on safety tours.
- The chairpersons will establish meeting and tour dates and times.

Meeting

- A meeting shall be held following the safety inspection to discuss the results of and/or findings of the inspection tour.
- A Company Safety Engineer shall act as Chairperson at each safety meeting or tour.
- The Chairperson shall record a log of the safety items or subjects discussed or observed by the Committee. Minutes will be kept by the person designated by the Chairperson and made available to the Safety Committee.
- The Committee may make safety recommendations to the Company.

Section C. Maintenance of Proper Working Conditions

The Company will continue to maintain proper working conditions and shall give prompt consideration to any suggestions made by any employee in regard thereto.

Any dispute which may arise concerning conditions shall be subject to the grievance procedure as provided under Article XIV.

Section D. On-the-Job Accident

In the event an employee is injured on the job while performing his duties, he must report the injury to his supervisor as soon as he can so that necessary treatment can be administered. If the injury requires treatment and the employee is not allowed to return to work the rest of his shift, he will be paid for the balance of his shift.

Section E. Medical Examinations

1. The Company reserves the right to direct any employee whom it has reason to believe is suffering from any ailment to submit to a medical examination to determine his fitness to continue in his employment.
 - a. If the majority of an employee's duties are worked in areas in which respirators are required, the Company will annually, or on request, afford the requesting employee a pulmonary function test. The Company will either provide for or pay for the test.
2. The Company will pay the cost of any medical examination required by the Company.
3. The employee at his request shall be given a copy of the medical report.

4. Disputes regarding an employee's fitness to continue in his employment shall be subject to the grievance procedure. If the employee is not satisfied with the examination, the Company will provide a referral.

Section F. Non-Discrimination

The Company and the Union agree that the provisions of this Agreement shall be applied to all employees without regard to race, color, age, sex, religion or national origin. Any references in this Agreement to the masculine gender shall apply equally to all male and female employees.

Section G. Pay Day

The employee will be paid on a biweekly basis, on a Friday.

Section H. Information

The Company will give to all persons who are employees hereafter in the unit for which the Union is the certified bargaining representative, before beginning work, a copy of this Agreement, including all applicable attachments concerning benefits and a Company rule book. The name of such employee will be furnished to the proper Union grievance man representing such unit.

The Company will have the foreman introduce the new employee to the proper job steward and the Union will keep the Company advised as to the identity of the proper steward.

Section I. Access of Union Representative to Property

Upon request to Employee Relations, a Union representative shall be allowed access to visit employees in the bargaining unit.

ARTICLE XIV GRIEVANCE & ARBITRATION PROCEDURE

Section A.

A grievance is an actual controversy, complaint or dispute with respect to a specific act or situation claimed to involve a misapplication of any provision of this Labor Agreement. However, the termination of any employee during the probationary period is at the sole discretion of the Company and shall not be subject to the Grievance Procedure.

When it appears necessary to discipline or discharge an employee, the foreman or shift boss shall contact the nearest available Union representative and in the presence of the employee and said representative, explain the reason for such discipline or discharge. When it is necessary to issue a warning that an employee's work is not satisfactory, a Union representative shall be present.

In the event of a suspension or discharge, the employee and the Union representative shall be given full reasons for such suspension or discharge in writing on the date of such discharge or suspension.

It is agreed by both parties that the record of an employee's violations of rules and regulations will not be extended beyond one and one-half (1-1/2) years from the date of violation for purposes of determining disciplinary action.

Section B.

In the hearing of a grievance, the Company shall not be required to meet with more than seven (7) Union Pact Committee members (chief stewards). The Union shall promptly notify the Company in writing of the names of the employees representing the Union Pact Committee in accordance with and under the conditions set forth in Article VI. Members of the Union Pact Committee or any representative of the Union may receive and discuss complaints and grievances of employees on duty, but only to the extent that such activity does not interfere with the work of the member or representative or any other employee. However, an employee cannot leave his job without the approval of his immediate supervisor.

Section C.

Any employee or employees having a complaint shall first discuss the complaint with his immediate supervisor with or without the presence of a representative of the Union and they shall attempt to arrive at a settlement.

If meetings with the immediate supervisor result in failure to reach a satisfactory settlement, the complaint shall be submitted as a grievance as authorized in Section D below.

Every grievance shall be submitted within ten (10) calendar days after the employee first had an opportunity to know of the incident. However, in case of discharge under protest, an immediate hearing shall be afforded to the discharged employee, and the Grievance Committee and representatives of the Company shall be present. If agreement is not reached, the matter may be referred to Arbitration within fifteen (15) days from the date of the hearing.

Section D. Grievance Shall Proceed in Accordance With the Following Steps

Step 1. An employee having a grievance shall present the grievance in writing to the employee's supervisor on the Grievance form furnished by the Company. The Department Head or his representative will conduct a meeting within ten (10) calendar days from the date the Supervisor received the grievance, with the employee and a representative of the Union. The Department Head or his representative will give a written answer on the grievance form to the employee with a copy to the Union within ten (10) calendar days after the Department Head or his representative have conducted the hearing.

The employee or representative of the Union may appeal the grievance in writing to Step 2. Resolution of a grievance at this step shall not set a precedent in the future for either party.

Step 2. Within ten (10) calendar days from the date the grievance is answered by the Department Head or his representative, the grievance as presented at Step 1 may be appealed by the Union to the Manager of Human Resources. The Manager of Human Resources or his representative will, within ten (10) calendar days after receipt of the appealed grievance, conduct a hearing on the grievance with the Union representative, grievance committee and the employee, and shall give a written answer to the Union with a copy to the employee within ten (10) calendar days after the hearing. If the answer is not satisfactory to the Union, the Union may, within ten (10) calendar days after receipt of the answer, appeal the grievance in writing to Arbitration.

Step 3. Within ten (10) calendar days from receipt of a grievance appealed to this step, the Human Resources representative and a representative of the Union shall meet to mutually agree upon an Arbitrator and to formulate jointly the question or questions to be submitted to the Arbitrator.

Questions submitted to the arbitrator must be in such terms as will permit an answer of "Yes" or "No." In cases involving loss of earnings, the Arbitrator shall determine if the employee is entitled to compensation and if so for what period of time. It is understood that the term "Compensation" as used herein shall mean payment for loss of earnings. In case of failure to agree upon an arbitrator, the parties will request the Federal Mediation & Conciliation Service to submit a panel or panels from which an arbitrator may be selected. The arbitrator selected or agreed upon shall have authority to interpret and apply the provisions of this Agreement but shall not have the authority to alter or add to any of its provisions or decide any matter not covered by a specific provision of this Agreement. No question of a change in the wage scale or a change in differentials or pay shall be the subject of arbitration, except as provided in Article VIII, Section A.

Section E.

The decision of the arbitrator shall be final and binding on the parties concerned. The decision and opinion shall be in writing and shall be rendered as promptly as possible.

Section F.

It is understood and agreed that no more than one written grievance shall be the subject matter of a single arbitration. For the purposes of this Section, identical grievances arising out of identical issues shall be deemed to be one grievance.

Section G.

The fees and expenses of the arbitrator shall be borne equally by the Company and the Union.

Section H.

No grievance should be presented for arbitration until the full procedures set forth in this Article have been followed, except by mutual agreement.

Section I.

All matters involving discipline, (including discharge and suspension) shall not be arbitrable matters except as to the facts.

Section J.

Whenever practicable, all grievance hearings will be scheduled during normal work hours, and members of the Grievance Committee will be compensated at their regular base rate of pay for regular scheduled time lost from the job in attending a formal hearing of a grievance other than arbitration hearings, handled in accordance with the provisions outlined in this Article.

Section K.

Any employee called as a witness shall be paid at his regular rate for any of his scheduled time lost while attending grievance meetings.

The Union representatives and witnesses shall notify their immediate foreman a reasonable time in advance when they are going to be absent from the job to attend to grievance matters or when called as witnesses or to give testimony relating to grievances.

The provisions of this clause shall not apply to hearings before arbitrators.

Section L.

Any grievance not processed timely by the Company or Union shall constitute a forfeit on their part.

Section M.

Seven (7) employees who are designated by the Union will be recognized as Day Shift Stewards and will be assigned to job classifications on straight day shift in accordance with Article VIII, Section E.

Section N.

Written notification that a grievance has been paid will be provided to the employee with a copy to the Union.

Section O.

Employees who are attending grievance meetings will be canvassed for daily overtime. The employee must inform his supervisor of his availability for overtime prior to attending the grievance meeting. If asked, the employee must accept the overtime and must be dressed to go back to work immediately following the meeting.

ARTICLE XV PINTO VALLEY DIVISION SENIORITY

Section A. Determination and Application of Seniority

Promotions, demotions and filling of vacancies shall be governed by seniority and qualifications. Qualifications shall be determined by the Company in a fair and equitable manner. Standards used by the Company shall be uniformly applied. Each employee shall be entitled to the following four (4) types of seniority:

1. Company Seniority

Length of continuous service with Pinto Valley Division to which an employee is entitled at the time of employment at Pinto Valley Division.

Company seniority is used to determine Vacation Allowances, Pension Rights, Service Awards and for breaking the ties in plant seniority dates.

2. Plant Seniority

Length of continuous service based on the last date of hire at Pinto Valley Division. Plant seniority shall be used for layoffs, promotions and vacation scheduling.

3. Department Seniority

Length of continuous service in a given department. Department seniority shall be used for promotions and reduction of forces within that department.

4. Occupation Classification Seniority

Length of continuous service in a given classification. Occupation classification seniority shall be used to promote, determine days off and in reverse order to determine the employee for demotions. As an employee is promoted to the successive occupations in a given line of flow, he maintains his

original seniority date in each occupation for use in a reduction of force. In case of reduction of force, he is assumed to have had accumulative seniority in each of the occupations below him in the given line of flow. If an employee skips an occupation as he moves up, he is given the same date for the skipped occupation as he has established for the next higher occupation.

For purposes of reduction of forces, all craftsmen, rate 9 and rate 10, shall be reduced by their rate 9 occupational seniority date.

Occupation classification seniority shall be used to promote, determine days off and in reverse order to determine the employee for demotions. Employees in the occupation classifications of Truck, Shovel-Drill, Dozer, H.D. Mechanic, Lube P.M. and Tire Mechanic, in the Maintenance Department shall accumulate occupation classification seniority from the date of filling a permanent job vacancy in any of these classifications, and shall continue to accumulate occupational classification seniority in any and all such classifications if transferred to another of these classifications or promoted to a permanent job vacancy in the classification of General Heavy Duty Mechanic.

Truck H.D. Mechanics, Shovel Drill H.D. Mechanics, Dozer H. D. Mechanics, Tire Mechanics and Lube PM Mechanics who transfer to Concentrator H. D. Mechanic and then transfer back to their former classification shall retain occupation seniority which they had prior to the transfer.

Craftsmen who have lost their original occupation date, rate 9, as a result of prior transfers from one shop to another, shall have such original occupation date reinstated.

Employees affected by this Agreement shall remain in their present job unless or until they are able to move to a Company declared permanent vacancy by occupational seniority as defined herein.

Section B. Lines of Flow, Filling Vacancies, Promotions and Demotions

For the purposes of this Article, lines of flow, job classifications and departments at Pinto Valley Division are shown in Exhibit B which is a part of this Labor Agreement.

It is understood that the Company may add, revise or discontinue job classifications and departments as the need arises. It is also understood the Company can add or discontinue lines of flow as the need arises.

The Company will fill vacancies from the ranks of its employees when it has employees who are qualified for any such job classification.

1. Temporary Job Vacancies

A temporary vacancy is a vacancy of thirty (30) working days or less, caused by the absence of regularly scheduled employees for the following reasons:

- a. Absenteeism
- b. Vacation
- c. Leave of Absence

When the Company determines that a temporary job vacancy exists in any job classification, it shall be filled on a day to day basis in the following order:

- (1) The Senior qualified employee next lower or succeedingly lower in the line of flow who is working that shift. An employee assigned permanently to the line of flow will be given first preference.
- (2) If the vacancy is not filled from within the line of flow, the job classification shall be filled from another line of flow in the same department, the senior qualified employee who has made application for an intra-departmental transfer and working that shift will be given first preference, and
- (3) finally by call-out or from any other source from within the bargaining unit.

The employee so assigned to fill a temporary job vacancy shall complete such assignment unless a vacancy occurs in a higher paying job and the employee is assigned to such job.

For purposes of this step, the classification of Heavy Equipment Trainee in the Mine Operations Department on rate 4 and rate 5 will be considered equally.

In the Mine Operations Department, when an employee refuses temporary advancement, he will be required to sign a statement indicating his refusal to accept the advancement. No other advancement will be offered until the employee withdraws his signed statement from the Department Superintendent.

In the Concentrator Operations Department, temporary job vacancies will be filled by a move-up on the shift crew in which the vacancy is occurring.

2. Permanent Job Vacancies

- a. When the Company determines that permanent job vacancy exists in any job in a line of flow (except in the Concentrator Operations Department), it shall be filled by employees in the following order:
 1. By demoting the senior qualified employee in the line of flow who has on file a request for a demotion. (An employee in the Mine Operations Department who takes a voluntary demotion, other than for health reasons, will not be allowed to promote to a new job classification for ninety (90) calendar days following his date of demotion. If after ninety (90) calendar days the employee desires promotion, he will be required to submit written notification to the Department Superintendent.)
 2. By promoting the senior qualified employee previously downgraded from the job by a reduction in force.
 3. By promoting the senior qualified employee next lower or succeedingly lower in the line of flow, or by restoration of a qualified employee who has previously been demoted for health reasons, whoever is senior. However, in case an application is on file for an intra-departmental transfer to a classification marked on the lines of flow as the "Transfer Level for Intra-Departmental Applications" (except for the Concentrator Operations Department), the vacancy shall be filled by the qualified employee who is next lower or succeedingly lower in the line of flow or who has an application on file, whoever is senior, according to departmental seniority. A qualified employee who has previously been demoted for health reasons will be given preference. For purposes of this step, the classification of Heavy Equipment Trainee in the Mine Operations Department on rate 4 and 5 will be considered equally.

4. The senior qualified employee who has filed an application to change a line of flow or department in accordance with Section D of this Article XV, giving preference to employees in the department in which the vacancy exists.
 5. By posting the vacancy for bid. Notice of such job vacancy shall be posted for a period of five (5) days on prescribed bulletin boards prior to permanent placement, and all employees covered shall have the right to make application in writing for such job only during the posting period on prescribed forms provided by the Company. The bidding period on each posted vacancy will be from 12:00 noon Wednesday (the day of posting) to 12:00 noon the following Monday. The Closing Notice on each vacancy will be posted on Wednesday following the Monday closing date of the Notice of Vacancy. The names of employees who have bid on the vacancy will be listed in descending order of seniority. If there are no bidders, the Closing Notice will so indicate.
- b. **Permanent job vacancies** that are deemed by the Company to be filled in the **Concentrator Operations Department** will be filled as follows:
1. By demoting a senior qualified employee in the line of flow who has on file a request for a demotion seven (7) days prior to the existence of said vacancy. An employee who voluntarily demotes to a lower paying position will have one (1) schedule period (one (1) week) where he or she can return to his or her previously held position.
 2. By allowing a senior qualified employee in the same line of flow and the same pay level a lateral move as long as the job content is different or there is an obvious economic advantage. (Exercising seniority in temporary promotions, days off, etc.)
 3. By promoting a senior qualified employee previously downgraded from the job by a reduction in force and who is still in the line of flow.
 4. By promoting a senior qualified employee in the next lower or succeeding lower pay levels in the line of flow.
 5. To fill permanent straight-day job assignment, the Concentrator Operations employees covered under this Agreement will be canvassed. The filling of said job assignment will be filled by the senior qualified employee according to Occupational Classification Seniority. Employees who accept this job vacancy by a demotion will have one (1) schedule period (one (1) week) where they can return to their previously held position. The position of Heavy Equipment Operator is covered by other procedures listed in this Agreement.
 6. By posting the vacancy for bid (per Article XV).

c. General Provisions

Employees desiring to bid shall fill out the bid form completing all information requested on the form. When the bid form is completed, the original shall be left with the Company in accordance with the information on the Notice of Vacancy; a duplicate copy will be given to the Union and employee. Failure to fill out the form completely will invalidate the employee's bid for the job.

An employee may bid on more than one job during the bidding period, however, he must indicate his preference (such as 1st, 2nd, 3rd, etc.) on each bid form. Job Award will be in the order of

preference on those jobs where the employee is the senior qualified bidder. Failure to indicate preference will invalidate all bids the employee has made during the bidding period involved. When the employee is the successful bidder on a Notice of Vacancy, all bids the employee may have submitted on other Notices of Vacancy during that posting period are canceled.

An employee may withdraw his bid on a Notice of Vacancy provided he notifies the Company in writing at the place he submitted his bid and does so before the expiration of the bidding period on the Notice of Vacancy involved. Only bids and bid withdrawals received by the Company during this period will be honored. All jobs posted shall be awarded within ten (10) days after the posting period has expired.

Applications from employees not covered by this Agreement or applications from outside the Company will be considered only when no job award is made.

An employee who bids for a job under this section will be required to accept such job if he is the successful bidder unless he withdraws his bid before the end of the posting period.

During the interim from the time the vacancy occurs and until the vacancy is filled, the Company may elect to fill the vacancy temporarily.

A qualified employee returning from an authorized leave of absence or vacation may within five (5) working days, exercise his seniority rights to displace an employee who, during his absence, has filled a permanent vacancy under Section B of this Article XV. An employee so displaced shall re-acquire the seniority date which he lost by filling such permanent vacancy.

Straight-day job assignments shall be filled by the senior qualified employee in the same classification on rotating shifts.

If not filled by the senior qualified employee in the same classification on rotating shifts, the job will be posted for bid.

The Company shall notify the Union of its selection for transfer or promotion in the event a senior employee is not given preference.

When employees who have performed long and faithful service in the employ of the Company have become unable to continue in their regular duties, by mutual consent, they shall be given preference in filling permanent vacancies in occupations for which they can qualify.

Section C. Trial Period

Employees shall be considered on a trial period for sixty (60) working days after promotion, voluntary demotion, or transfer to another job. If at any time before the end of the trial period the Company determines that the employee lacks the qualifications, the employee shall return to his previous job without loss of seniority.

Section D. Transfers

1. An employee who has completed his probationary period and who wishes to transfer from one department to another or from one line of flow to another in the same department may apply in writing on a form provided by the Company. For purposes of this Section, the following departments are recognized:
 - a. Mine Operations
 - b. Maintenance
 - c. Laborers
2. The job classifications to which employees may transfer shall be limited to those classifications designated in the lines of flow. Whenever a permanent vacancy occurs in one of these classifications it shall be filled, subject to the priority established in Section B, 2 above by the senior qualified employee who applied for transfer.
3. For Concentrator Operations the entrance level and the exit level is the labor classification.
4. Requests for transfers will be maintained by the Company until the employee is transferred, the transfer is withdrawn by the employee, or the employee refuses the transfer.

Section E. Reduction of Force

In the event the Company reduces wholly or in part the number of employees in any job, the following procedure shall apply:

1. In a reduction in force, wholly or in part, of employees in the classifications of Warehouseman, Tire/Lube Service Mechanic, Steamcleaner and Janitor, such employees will be reduced into the laborers classification. They would retain employment as a laborer by Plant seniority, or if laid off, be recalled to laborer by Plant seniority. Employees reduced from the above mentioned classifications have first rights to recall back to the classification from which they were reduced.
2. Any employee, based upon qualifications, shall be allowed to displace an employee in the line of flow in any job at the next lower level than the job being reduced according to the employee's accumulated occupation classification seniority. Any employee displaced by this procedure shall be allowed to displace another employee according to the same procedure. If the employee is not qualified for the next lower level classification, he shall be reduced down the line of flow to the level for which he is qualified.
3. The employee's accumulated occupation classification seniority for the purposes of reduction of force shall be the sum of all occupation classification seniority he had in all jobs below the level of the jobs from which he is being reduced in the same line of flow prior to the reduction of force.

Section F. Reduction of Apprentices

Apprentices are to be reduced from affected craft areas by determining the ratio of apprentices to craftsmen and performing the reduction in such fashion as to reduce all apprentices in that craft at a point where only half the journeymen in that craft have been reduced. A reduction ratio for accomplishing this is determined by dividing the number of apprentices by one-half the number of journeymen in that craft trade. Since the answer may provide many fractions, the rounding to whole numbers will be done solely by the Company.

Section G. Lay-off From Company Employment

Notices of proposed layoffs due to reduction in force shall be given to the employees affected not less than fourteen (14) calendar days before such layoffs become effective. Said notices may be given by posting on the bulletin board or in any other manner reasonably calculated to notify the interested employees. A copy of the list of employees to be laid off will be given to the Union. (Lay-off from Company employment shall be from the Laborer and Plantman C Groups based on seniority with Pinto Valley Division.)

Section H. Lay-off Option

Reduction in force for all classifications, except Laborer, shall be from:

1. Craftsman or occupation classification down the line of flow by occupation classification seniority.
 - a. If an employee above Laborer has enough plant seniority to remain as a Laborer, the employee then has an option of layoff in lieu of a transfer to the Laborer Group Department (Maintenance, Mine, Concentrator, SXEW Miami Unit).
 - b. Employees without sufficient seniority to remain as laborers/Plantman C will be laid off as laborers/Plantman C.
 - c. Employees with sufficient seniority to remain, but who elect to layoff, will be laid off from the first classification above laborer in their line of flow.
 - d. Those electing reduction to Laborer Group Department/Plantman C, will be placed wherever openings exist by plant seniority.
 - e. Those electing reduction to Laborer Group Department/Plantman C, begin with no occupational seniority.
2. Employees will accumulate occupational seniority in the last occupation they were reduced from for up to four (4) years time whether they elect to be laid off or whether they stay.
3. Recall shall be to the last occupation or the entry level occupation in a line of flow the individual held prior to reduction. Recall shall be by occupation classification seniority for classifications above laborer/Plantman C. Employee reduced as laborer/Plantman C shall be recalled to laborer/Plantman C by plant seniority.

Section I. Recall

Any employee covered by this Labor Agreement who has completed his probationary period and who, without fault on his part, has been laid off is subject to recall for up to four (4) years provided employee has four (4) or more continuous years of employment at Pinto Valley Division. Those employees with less than four (4) years of continuous service shall have recall rights for a period equal to their period of employment with the Company. No employee shall have less than one (1) year recall right.

Notice of recall to a laid-off employee shall be sent by the Company to the employee's latest address of record in the Company's file.

The employee must reply to the recall notice indicating his intention to return to work within seven (7) days from the registered mail date and actually report for work within ten (10) days from the registered mail date. Failure to respond to a recall notice or to report for work as instructed shall result in the loss of all re-employment rights by the employee unless an extension of time is granted by the Company.

Section J. Probationary Employee

Any newly hired employee shall be considered in a probationary status and shall have no seniority rights under the provisions of this Article during the first sixty (60) days worked. The lay-off or discharge of any such probationary employee shall not be a matter of grievance. After such probationary period he shall be granted seniority as of the date he was last continuously employed.

Section K. Seniority Lists

The Company shall maintain accurate information and records of seniority. The employees or their authorized representative, upon request, will have the right to inspect those records. The Company will deliver monthly to the Union named in the certification a copy of the applicable seniority lists.

Section L. Loss of Seniority

Seniority accrued under provisions of this Article shall be lost under the following conditions:

1. A termination due to voluntary quit, or
2. Justifiable discharge, or
3. A drop due to an absence without leave of four (4) or more consecutive days.

Section M. Shutdowns

1. Anticipated Shutdowns

An anticipated shutdown is one where enough warning is available to allow scheduling of vacations by plant seniority within occupation of shift crews by areas prior to December 31 of the preceding calendar year. Employees may be required to take vacations during the shutdown period.

2. Unanticipated Shutdown

An unanticipated shutdown is one where there is not enough warning to allow scheduling vacations prior to December 31 of the preceding calendar year.

Operations and Maintenance would treat limited staffing needs as being filled by normal crews or occupations for the first ten (10) days of the shutdown with an automatic extension to the Monday following the tenth (10th) day. If the shutdown continues longer than the aforementioned period, staffing would be handled by scheduling employees by occupational seniority in the classifications

where employees are needed. Employees will be allowed to switch vacations into this period subject to operating/maintenance requirements of the Company.

ARTICLE XVI Vacations

Section A.

Credited Pinto Valley Division service shall be used for purposes of determining vacation allowances.

Section B.

All employees who have been continuously employed by Pinto Valley Division for at least one (1) year are entitled to a vacation of two (2) weeks. The employee may take one (1) week of vacation from the two (2) week allotment following the completion of six (6) consecutive months employment provided the employee has worked more than twenty (20) weeks in the six (6) month period. Employees who elect to take one (1) week of vacation after six (6) months but before the completion of one (1) year shall not be allowed to take it in single day increments.

If an employee's anniversary date of employment occurs within the month of December during the first year of employment, vacations may be scheduled anytime during that month. Thereafter, all vacations are on a calendar year basis and vacations taken in any year will be based on time worked during the previous year.

Section C.

All employees who have been continuously employed by Pinto Valley Division for at least five (5) years of continuous service on December 31 of the prior year are entitled to a three (3) week vacation.

Section D.

All employees who have been continuously employed by Pinto Valley Division for at least fifteen (15) years of continuous service on December 31 of the prior year are entitled to a four (4) week vacation.

All employees who have been continuously employed by Pinto Valley Division for at least twenty-five (25) years of continuous service on December 31 of the prior year are entitled to a five (5) week vacation.

Section E.

In the year of completion of an employee's fifth, fifteenth and twenty-fifth year of continuous service with Pinto Valley Division, an employee will receive the same vacation with pay as though the employee's anniversary had fallen on the previous December 31.

Section F.

Except in cases of involuntary force reductions, all vacation time will be paid at the employee's regular base rate of pay for the normal scheduled workweek. Employees affected by an involuntary force reduction shall have their vacation pay based on their regular base rate as of December 31 of the prior year. Temporary rates will not be used except in the following circumstances:

Employees assigned to a higher pay grade for greater than ninety (90) consecutive work days, will have their vacation pay computed at the higher rate of pay for such classification provided they continue to be assigned to the higher classification at the time the vacation is taken.

Section G.

Vacations must be taken in the calendar year in which they apply at a time satisfactory to the Company.

Section H.

In the event a holiday as listed in Article X occurs during the employee's vacation period, an additional day's pay at regular base rate will be paid for each such holiday.

Section I.

If an employee terminates employment for any reason including lay-off with one (1) or more years of continuous service from the Company before taking earned vacation, the employee will be paid for the vacation earned, but not taken, accrued in the year ending on the prior December 31.

In addition, if the employee has at least one (1) year of continuous credited Company service as of the prior December 31, he will be paid on a pro-rated basis for that portion of vacation earned in the current year.

Section J.

No vacation will be earned for the following calendar year unless an employee works more than forty (40) scheduled weeks in the current calendar year.

Section K.

Vacation schedules shall be subject to the approval of the Company.

Section L.

Irregular Vacation Dates (Prime Time). If, after vacations are scheduled, a vacation period opens up during Prime Vacation Period (June, July or August) due to a quit, discharge, transfer, or an employee deciding not to take his scheduled vacation, an employee whose vacation is scheduled outside Prime Vacation Period will be allowed to select the "open vacation spot" in accordance with the following:

1. Employees having vacations scheduled in Prime Vacation Period are not eligible to pick an "opened spot."
2. Employees whose vacations are scheduled outside Prime Vacation Period will be eligible to select an "opened spot" during these months based on plant seniority.
3. There will be no "chain reaction" selection; that is, selecting spots opened up by an employee selecting an "opened spot" during Prime Vacation Period. However, when an employee whose vacation is scheduled outside Prime Vacation Period does pick an "opened spot" during Prime Vacation Period, another employee will have an opportunity to select the spot opened up outside Prime Vacation Period, but successive openings resulting from this move, will not be subject to this procedure.

Section M. Exchange of Days Off

Employees may, by mutual agreement, exchange days off for the purpose of starting vacations only provided:

1. The Company is advised of and approves of the change.
2. Approval for the trade is secured no less than forty-eight (48) hours before posting of the schedule affected.
3. The exchange of days off must take place within the same workweek.
4. The Company pays no premium or overtime payments as a result of such exchange of days off.

Section N. Vacation Splits

Employees who elect to split their vacations into more than four (4) increments must select their vacations during "non-prime time" periods of no less than one (1) week at a time. One (1) increment may be selected during the prime period.

Non-prime time periods are defined as:

1. January through May
2. September 15 through December 15

Section O.

Employees in the Concentrator Operations Department in non-rotating shift jobs (with scheduled days off other than Saturday and Sunday), will start their vacations following their days off.

Section P.

As of 7/1/86, grandfathered employees permanently working at the Miami Unit shall utilize Company Seniority to schedule vacations.

Section Q. Incremental Vacations

The intent of this section is to permit eligible employees to take earned vacation in increments of less than a full week (five (5) days) consistent with the following:

1. Employees eligible for two (2) weeks vacation may take one (1) week of vacation (five (5) days) in single day increments, except during the first year of employment.
2. Employees eligible for three (3) or more weeks vacation may take up to two (2) weeks vacation (ten (10) days) in single increments.
3. Eligible employees, during the vacation scheduling may schedule their entire vacation benefit or withhold scheduling of five (5) or ten (10) days (dependent on vacation eligibility) for the purpose of taking vacation in less than a one (1) week increment. The maximum number of incremental vacation days that may be scheduled consecutively will be three (3) days.

In event a portion or all of the incremental days withheld from scheduling has not been taken by December 15th of each calendar year, the employee will receive pay for the unused portion.

Schedule of time off shall be subject to the approval of the company.

4. In the event of a conflict between employees over the choice of available date, the employee with the greater seniority as specified by the collective bargaining agreement shall prevail.
5. Employees who have scheduled their full vacation benefit may, for reasons acceptable to the Company, be permitted to take a portion of a scheduled week (consistent with 4 above) in less than a full week increment.
6. Scheduling of incremental days must normally be approved by the Company a minimum of three (3) days in advance. In the event of reasons beyond control of the employees which are substantiated and acceptable to the Company, the three (3) day period may be waived. However, the employee must receive prior approval before taking any period of vacation. Requests for covering an absence as vacation time after missing a scheduled shift will not be permitted.

Section R. Vacation Bonus

1. In addition to the regular vacation pay to which an employee is entitled, there shall be a paid vacation bonus in accordance with the following schedule:

<u>Vacation week commencing in:</u>	<u>Bonus:</u>
April, May, October	\$35 per week
January, February, March	\$50 per week
June, July, August, September, November, December	No Bonus

2. The amount of vacation bonus applicable to a particular vacation week (full week only) shall be determined by the calendar month in which such week commences, that is, the first day thereof the employee would otherwise have been scheduled to work. For example, an employee whose two consecutive week vacation begins on Monday September 24, 2007 would be entitled to no bonus for the first week but would be entitled to a \$35.00 bonus for the second week, which begins October 1, 2007. The bonus payment shall be included with the pay for the regular vacation week to which it corresponds.

ARTICLE XVII TOOLS AND CLOTHING

1. Employees who are required by the Company to furnish their own tools shall have their tools checked by the supervisor for completeness, adequacy and state of repair.
2. Personal tools broken, worn out, lost or stolen in the line of duty, as determined by the supervisor, will be repaired or replaced by the Company.
3. Employees will be expected to use every precaution in order to avoid the loss or stealing of tools. Repeated claims unusual in quantity or frequency by any employee for replacement, may be denied.

4. The Company will make a fair allowance for clothing change due to unusual or accidental events on the job. The employee will provide proper evidence to the foreman of such damage. The Company will not reimburse employees for clothing worn out by normal wear and tear or by exposure to conditions or material normal to their job.

ARTICLE XVIII DUES DEDUCTION AUTHORIZATION CHECK-OFF FORM

Section A. Due Deduction

The Company agrees to deduct on a Check-Off form as set out below (subject to the priority of deductions for Social Security, Withholding Tax and money owed to the Company) from the first wage payment of each calendar month of the employees, either present or future, who shall authorize it by voluntary written assignment delivered to the Company, initiation fees, if owed, (as set by the Individual Joint Party) and regular monthly union membership dues (as set by the Individual Joint Party). In the event such dues for a current month exceed wages due, the amount of such delinquency shall be deducted from wages due thereafter, subject to the foregoing priorities.

The assignment shall be made irrevocable for a period of one (1) year from date of execution or the termination of this Agreement, whichever occurs sooner, subject to the following provisions:

The authorization and assignment shall continue in effect after the expiration of the shorter of the periods above specified for further successive periods of one (1) year from such date. This authorization and assignment shall become effective and cannot be canceled during any of such years, but may be canceled and revoked by giving the appropriate management representative of the plant an individual written notice which shall be postmarked or received by the Company within fifteen (15) days prior to the expiration of such year or within the fifteen (15) days prior to the termination date of any Collective Bargaining Agreement between the Company and the Joint Parties, if such date shall occur within one of such annual periods. Such notice of revocation shall become effective respecting the dues for the month following the month in which such written notice is given. A copy of any such notice will be given to the Financial Secretary of the Local Union.

An assignment shall no longer be valid if the employee is transferred out of the bargaining unit.

The Company must recognize authorizations only when consistent with the following table:

All Concentrator Operations Employees, including H.D. Mechanics, Steam Cleaner, Laborers, Machinists, and SX-EW	U.S.W.
Electricians.....	I.B.E.W.
Boilermakers.....	Boilermakers
Pipefitters.....	Pipefitters
Trucks (Drivers, General Repairs, Tire Repair and servicing of the same), and Warehouseman	Teamsters
Heavy Equipment (Operators, Rotary Drills, Repair and servicing of the same).....	Operators

An employee may elect a choice of authorization for dues deduction check-off when classified as a Lube P.M. Mechanic or in the Mine Operations Department rate 4 and 5 - Heavy Equipment Trainee. Such choice of authorization shall be in writing and shall be that authorization the employee would most likely select for specialty or permanent assignment. The authorization selected shall remain in effect for the duration of the employee's classification as a trainee or as a Lube P.M. Mechanic regardless of his daily work assignments.

Notwithstanding the preceding paragraph, the Company will recognize authorization for all other employees only when consistent with the above table.

The above shall not mean that jurisdictional lines exist, nor will it be meant to limit the assignment of or progression of employees, but shall be used to properly deduct and remit initiation fees and dues.

Temporary assignments away from an employee's normal place of work will not involve a change of dues authorization: however, when an employee is permanently transferred, the Company shall automatically stop deducting dues, unless the transfer is to a job that obligates the Company to recognize the same authorization.

An employee may change his dues deduction authorization within the Union from one of the Joint Parties to another Joint Party of this Agreement by executing a new dues deduction authorization form provided; however, such a change cannot be made unless the employee transfers to a job that obligates the Company to recognize a different authorization.

No dues shall be deducted for any period while an employee is separated from the payroll.

The Company shall remit promptly all dues so deducted to the proper Joint Party's authorized representative on file with the Company.

The Union shall indemnify and save the Company harmless against any and all claims, demands, suits, or other forms of liability arising out of or to arise out of actions taken or not taken by the Company or by the Union for the purpose of complying with this provision.

Check off form to be provided by the Joint Petitioners.

Section B. PAC Check Off

The Company will deduct Political Action Committee (PAC) contributions for active Employees who have submitted authorization for such deductions from their wages. Such deductions shall be on a form reasonably acceptable to the Company and shall be promptly remitted to the designated Secretary-Treasurer of the Union's PAC Fund on file with the Company.

The Union shall indemnify and save the Company harmless against any and all kinds of claims, charges, demands, suits, or other actions which could give rise to liability, including the Company's attorneys fees and costs incurred, arising out of or attributable to actions taken or not taken by the Company or by the Union for the purpose of complying with this provision.

ARTICLE XIX SPECIAL PROVISIONS

1. Mutual Agreement - Amendment

This Agreement may be amended at any time by mutual agreement of the parties hereto.

2. Conflicts With Laws

If any provisions of this contract shall be in conflict with or in violation of any applicable State or Federal Laws, such provision shall be inoperative and of no effect to the extent of such conflict, but the remaining provisions hereof shall continue in full force and effect.

3. Shoulder-to-Shoulder Agreement

The following provisions will apply:

- a. Company employees will be paid a wage differential when working "shoulder-to-shoulder" with Contractor's employees on contract jobs to compensate for the difference between the Company hourly rate and the construction rate for similar job classifications, according to Arizona General Contractors rate schedule. The wage adjustment will not include subsistence or other allowance paid by the contractor. Such wage differential should be paid to the nearest one-tenth of an hour within the first hour worked. It shall be paid for the whole of an employee's regularly scheduled shift if he works "shoulder-to-shoulder" more than one hour of the shift.
- b. "Shoulder-to-shoulder" work is defined as work performed by Company employees that is directly related to and a part of a job or project being contracted, and is done during the period of the contract. Preparatory work prior to the starting date of the contract or finishing-up work done by Company employees does not qualify for "shoulder-to-shoulder" pay.
- c. The Company agrees to notify the employees or crew who are assigned to work on a job which is "warranty" work. Upon request, the Company will verify, with the best information available, that such work is in fact warranty.
- d. Company will pay shoulder-to-shoulder rates for work employees are assigned to perform which the contractor, within the scope of his contract, should have performed, but for some reason, could not or did not.
- e. Work specifically excluded from a contract or work which the contractor is not expected to do, shall not be considered shoulder-to-shoulder work.

4. Apprenticeship Program

The Apprenticeship standards heretofore formulated and presently in effect shall remain in force during the life of this Agreement.

When an employee files for apprenticeship, the Union will also be given a copy of the employee's apprenticeship application. Copies of the Apprenticeship Committee meetings notes will be provided to the seven (7) Chief Stewards.

5. Clothing Allowance

The Company will provide operations employees regularly assigned to the SXEW plants compensation to purchase acid resistant clothing during the period of this Agreement in accordance with the following schedule:

July 1	\$ 60.00
January 1	\$ 60.00

6. Safety Shoe Allowance

On July 1 of each contract year, each non-probationary employee shall be eligible to receive an \$80 safety shoe allowance to defray the cost of safety shoes for the employee's use at work.

EXHIBIT A

Hourly Base Rates and Job Titles

<u>Pay Level</u>	<u>Job Title</u>
2	Laborer Plantman C
3	Plantman C Laborer (After 18 calendar months at Rate 2) Utility/Insitu Crew
4	Trainee (Mine) Helper Reagent Mixer Utility Helper Lube/Tire Service Mechanic Trainee (After 65 days worked to Rate 6) SXEW Helper Plantman B Steamcleaner Tailings Dam Crew (Concentrator) (After 8 months to Rate 8) Entrance Level Trainee (MU) (After 8 months Rate 9) Warehouse Person B
5	Trainee (Mine) Helper (After 15 calendar months at rate 4) Reagent Mixer (After 8 calendar months at rate 4) SXEW Helper
6	EW Operator Lube/Tire Mechanic Trainee (After 30 days worked to Rate 8) Warehouse Person A (Rate 6 after 260 days worked as Warehouse Person B)
8	Equipment Operator (Mine) Ore/Water Truck Driver Lube Service Mechanic Tire Service Mechanic Concentrator Operator General SXEW Operator Tailings Dam Construction Crew (Concentrator) Environmental/Water Facility Operator

Pay
Level

Job Title

9	Heavy Equipment Operator (Conc) Multi-Equipment Operator (Mine) Shovel Qualified Equipment Operator Rotary Drill Operator Truck Heavy Duty Mechanic Shovel Heavy Duty Mechanic Drill Heavy Duty Mechanic Dozer Heavy Duty Mechanic MU Heavy Duty Mechanic Tire Mechanic Lube P.M. Mechanic Heavy Duty Mechanic (Conc) Electrician Machinist Pipefitter Boilermaker Carpenter
10	General Heavy Duty Mechanic (After completion of probationary period at rate 9) Loader Operator (12 Yds or larger) Specialist (After completion of probationary period at rate 9) Mill Lead Operator Refrigeration Repairman Heavy Duty Mechanic Operator
11	Shovel Operator Production Loader

The leadman job title is described in Article IX, Section A2.

When a Class A Chauffeurs License is required by the Company, the Company will pay for such license. An employee who is required by the Company to have and maintain a valid Commercial Drivers License will receive a one-level pay increase above the employee's base rate of pay. The adjustment will be made effective the date the employee provides acceptable documentation to the Company.

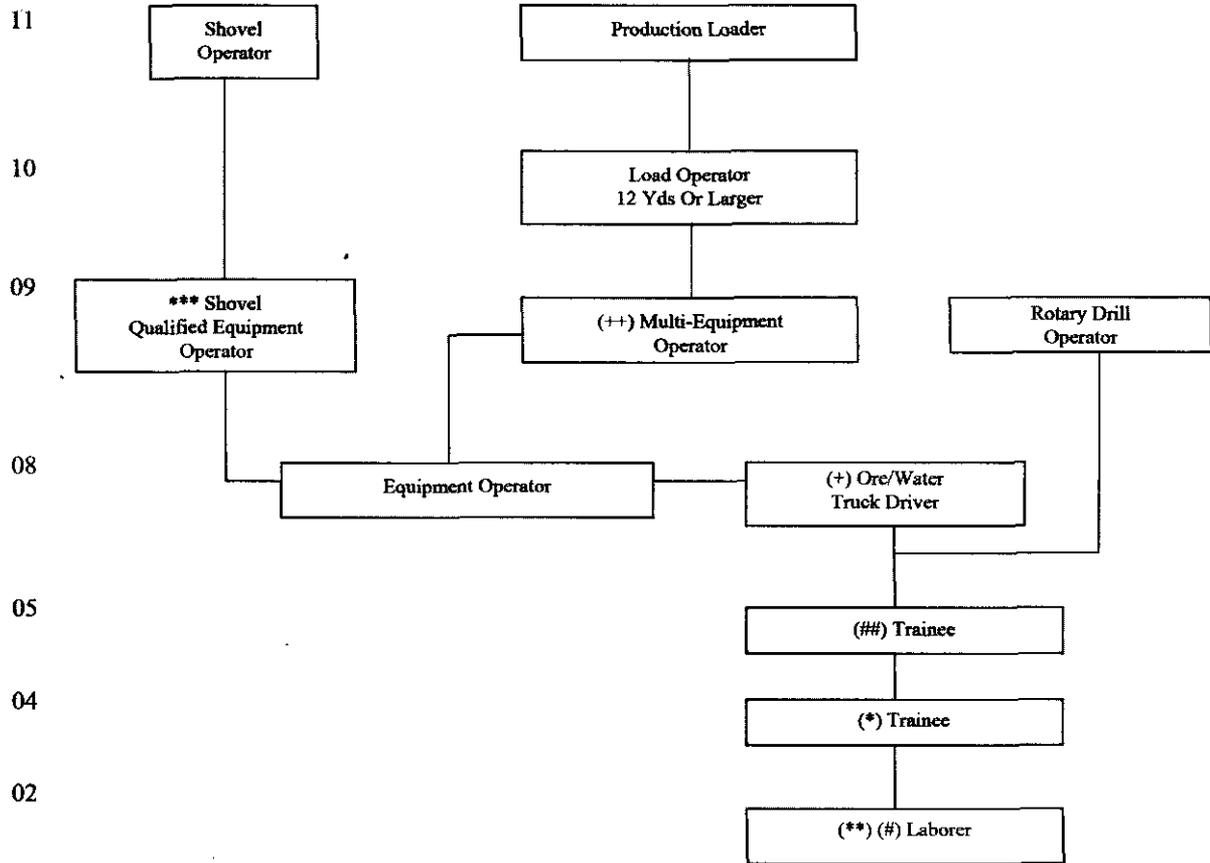
Exhibit A-1

PAY RATES

<u>Pay Grade</u>	<u>6/4/07</u>	<u>7/1/08</u>	<u>7/1/09</u>
2	\$14.65	\$15.50	\$16.25
3	\$15.25	\$16.10	\$16.85
4	\$16.10	\$16.95	\$17.70
5	\$16.95	\$17.30	\$18.55
6	\$17.80	\$18.65	\$19.40
7	\$18.65	\$19.50	\$20.25
8	\$19.50	\$20.35	\$21.10
9	\$20.35	\$21.20	\$21.95
10	\$21.20	\$22.05	\$22.80
11	\$22.05	\$22.90	\$23.65
12	\$22.90	\$23.75	\$24.50
13	\$23.75	\$24.60	\$25.35

EXHIBIT B.1

MINE OPERATIONS DEPARTMENT LINES OF FLOW



Rate 3 after 18 calendar months at rate 2.

Rate 5 after qualifying on three major pieces of equipment. (See next Page)

• Intra-departmental transfer applications accepted for these jobs.

** Inter-departmental transfer applications accepted for these jobs.

*** Shovel Qualified Equipment Operator shall periodically exchange jobs with shovel operator.

+ For purposes of a reduction in force, an Ore/Water Truck Driver is entitled only to that occupational seniority which he has (or had) accumulated while working permanently in that classification.

++ The Multi-Equipment Operator permanently assigned to the Pinto Valley Solvent/Extraction and Miami Unit facilities, will continue to retain and accumulate seniority under the multi-equipment operator job classification for the purpose of filling vacancies and reduction in forces.

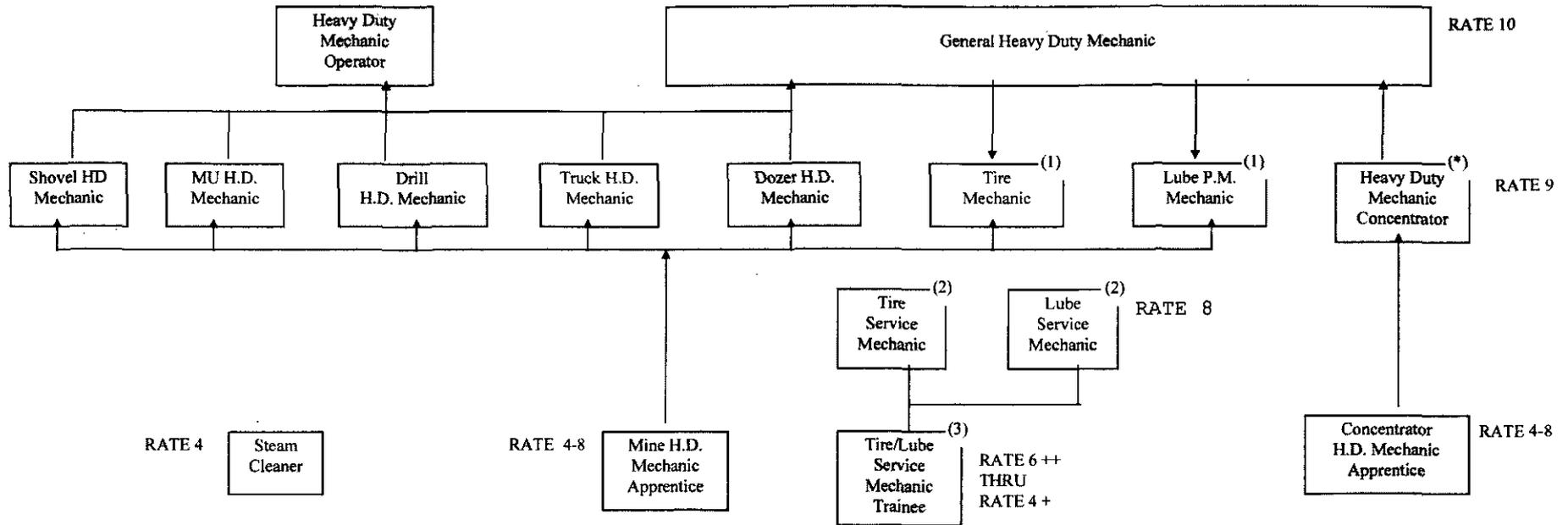
EXHIBIT B.2

**MINE OPERATIONS DEPARTMENT QUALIFICATIONS
RATE 4 TO 5: HEAVY EQUIPMENT LINE OF FLOW**

An employee must have qualified on two pieces of mine equipment: Drill, Ore Truck or Dozer (both rubber tire and Crawler-type required). Qualifications on the Ore Truck, Drill and Dozer will consist of the skill and ability to operate such equipment safely.

In order to retain rate 5, employees must have qualified for operation on all three pieces of equipment (ore-truck, drill and dozer) within a year of receiving rate 5.

**EXHIBIT B.3
MAINTENANCE DEPARTMENT**



(1) Intra-Departmental Transfer Applications Accepted From Truck, Shovel-Drill Dozer, Mechanic And General Heavy Duty Mechanic.

(2) Intra-Departmental Transfer Applications Accepted From Tire Service Mechanic Or Lube Service Mechanic For These Jobs. After Sixty-Five (65) Days.

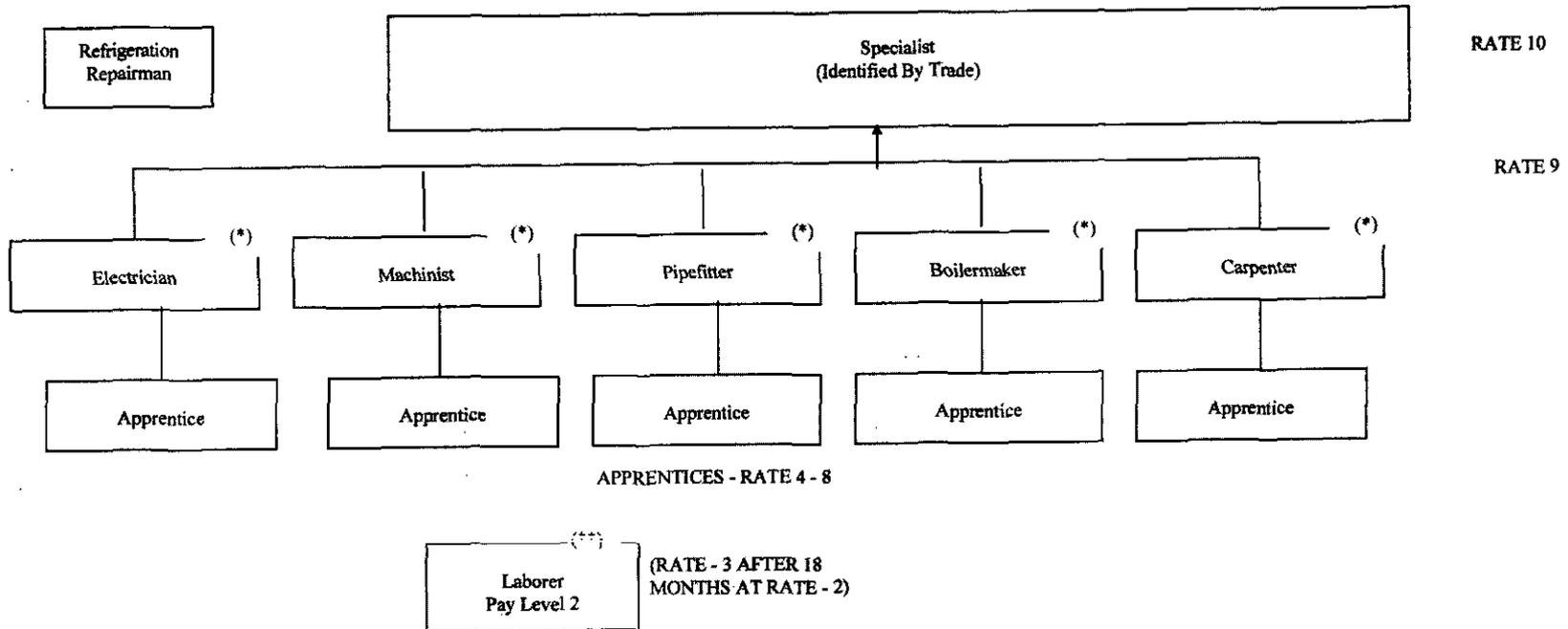
(3) Inter-Departmental Transfer Applications Accepted From Mine Operations Department First, For This Job

+ Rate 4 Tire/Lube Service Mechanic Trainee To Rate 6 Lube Service Mechanic Or Tire Service Mechanic. After Sixty-Five (65) Days Worked.

++ Rate 6 Tire/Lube Service Mechanic Trainee To Rate 8 Lube Service Mechanic After Thirty (30) Days Worked.

* No Bureau Of Apprenticeship Certification Required To Attain This Pay Level.

**EXHIBIT B.3
MAINTENANCE DEPARTMENT**



* NO BUREAU OF APPRENTICESHIP CERTIFICATION REQUIRED TO ATTAIN THIS PAY LEVEL.

** INTER-DEPARTMENTAL APPLICATIONS ACCEPTED FOR THIS JOB.

EXHIBIT B.4

MAINTENANCE DEPARTMENT

Position of Refrigeration Repairman

When the Company declares that a permanent vacancy exists as a Refrigeration Repairman, it shall be filled by the senior electrician who shows proof that he/she is a qualified refrigeration repairman in heating, ventilating and air conditioning work.

If an electrician fills the position of Refrigerator Repairman, and later a reduction in force occurs, the electrician will be reduced back to the job classification of electrician with accumulative occupation job seniority or if the electrician voluntarily returns to the job classification of electrician, the electrician will return with electrician accumulative occupation job seniority.

If there are no successful electrician applicants, the position of Refrigeration Repairman will be posted for plant wide bidding.

EXHIBIT B.5

TIRE SERVICE MECHANIC/LUBE SERVICE MECHANIC LINE OF FLOW

1. Establish a Tire/Lube Service Mechanic Trainee classification at rate 4 to flow into the Lube Service Mechanic classification and/or Tire Service Mechanic classification at rate 8.
2. Date of entry into the Tire/Lube Service Mechanic Trainee classification shall be the occupational seniority date of the Tire Service Mechanic/Lube Service Mechanic upon completion of ninety five (95) days worked.
3. Future permanent vacancies at the Tire/Lube Service Mechanic Trainee level shall be filled by inter-departmental transfer applications from the Mine Operations Department and the Mine Maintenance Heavy Duty Diesel Mechanic Classification. Selection will be by plant seniority.
4. Progression from rate 4 Tire/Lube Service Mechanic Trainee to rate 6 shall be automatic after sixty-five (65) days worked. Promotion from rate 6 Tire/Lube Service Mechanic Trainee to rate 8 Lube Service Mechanic or Tire Service Mechanic shall be automatic after thirty (30) days worked.
5. If an employee works a full eight hour shift on his days off or doubles over for a full eight hour shift, the time will be counted as a day of work to qualify for progression in the Lube/Tire Mechanic Trainee Program. Daily overtime hours, call outs that do not exceed eight hours worked, and vacation taken during the training program will not be computed as time worked for progression to a higher rate.
6. If a person is unable to do the work, he must be disqualified and returned to original classification.

EXHIBIT B.5a

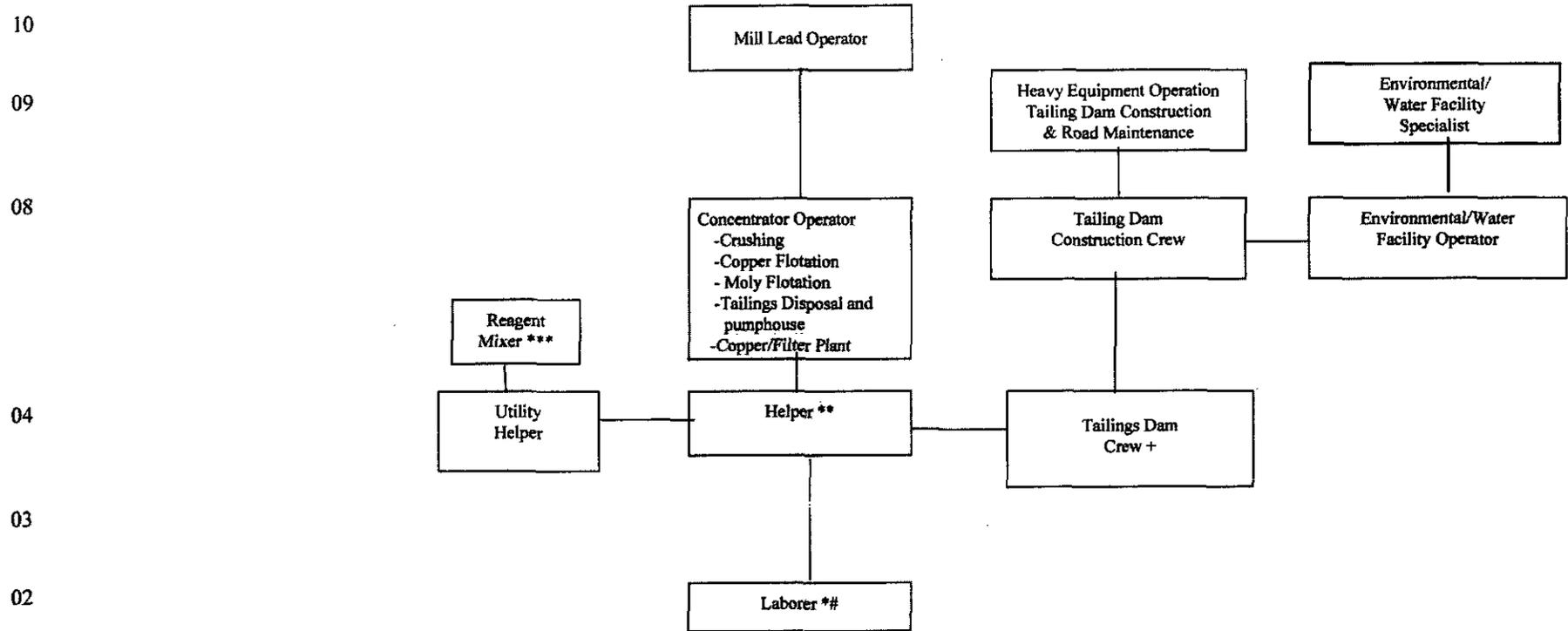
SHOVEL HEAVY DUTY MECHANIC

Employees must have a minimum of 3 years experience in shovel repair. Preference will be given first to General Heavy Duty (Diesel) Mechanics by intra-departmental transfer application, secondly to employees who have the minimum three (3) years experience in shovel repair.

On a reduction in force Shovel Heavy Duty Mechanics who qualify as a General Heavy Duty (Diesel) Mechanic will accumulate General Heavy Duty (Diesel) Mechanic occupational classification seniority for reduction in force purposes.

Overtime in the Shovel Heavy Duty Mechanic occupation will be handled within their job occupation classification.

**EXHIBIT B.6
CONCENTRATOR OPERATION DEPARTMENT
LINE OF FLOW**



- * Inter-department transfer applications accepted for this job
- # Rate 3 after 18 calendar months at rate 2.
- ** Rate 5 after 15 calendar months at rate 4.
- *** Rate 5 after 8 calendar months at rate 4 in Reagent Mixer.
- + Entrance level at rate 4 with advancement to rate 8 after 8 months.
Must obtain CDL within 90 work shifts of assignment

Promotion to Environmental / Water Facility Specialist:

Will be from permanent rate 8 E/W facility operators. Permanent rate 8 seniority and qualifications will be considered. The trial period may exceed 60 days at the discretion of the Company. During the trial period, the employee will receive rate 8 pay. The employee who fills this position must be qualified to operate all equipment connected with Environmental / Water management and possess and maintain a commercial drivers license.

EXHIBIT B.7

CONCENTRATOR OPERATIONS DEPARTMENT QUALIFICATIONS

Trial Period for Job Positions above Rate Level #4.

An employee who holds a position for sixty (60) working days will be deemed to have qualified.

If an employee who is in a trial period for a position, and accepts a position in another vacancy, the employee forfeits all rights to the previously held position.

Filling of Job Vacancies

Position of Mill Lead Operator

The position of Mill Lead Operator will be filled solely on the basis of seniority and qualifications.

This position will be filled by an employee who is qualified in all phases of the following operations: Primary Grinding System, Copper Flotation System, Copper/Filter System and the Moly Plant Operations. The employee must also be able to train inexperienced personnel in any of the above phases of the mill operation in a manner directed by the Company.

Position of Heavy Equipment Operator Tailings Dam - Dam Construction and Road Maintenance

Employee who fills this position must be qualified to operate all equipment connected with tailings dam construction and road maintenance.

Position of Reagent Mixer

Reagent Mixer 1 -

Permanent rate 4 classification with advancement to rate 5 classification after eight (8) months of work at permanent rate 4. (See note below.) Time on the job as Reagent Mixer 2 to be included in eight (8) months in qualifying for rate 5.

Reagent Mixer 2 -

Permanent rate 4 classification with advancement to rate 5 classification after eight (8) months of work at permanent rate 4. (See note below.) This employee will take all scheduled temporary and permanent vacancies in Reagent Mixer 1 position. Temporary vacancies in Reagent Mixer classification will be at rate 4 classification.

Position of Utility Helper

Permanent Vacancies

The Senior qualified Utility Helper must promote to Reagent Mixer.

Temporary Vacancies

The Senior qualified Utility Helper must promote up the line of flow.

Bidding

Departmental seniority will be used to bid into the Utility Helper position. Successful bidder starts as a laborer with accumulated Concentrator Department seniority.

Trial Period

Employee accepting the permanent Utility Helper position will be rate 2/3 laborer for one hundred and twenty (120) days worked - sixty (60) days training in the Utility Helper duties and sixty (60) days training in the Reagent Mixer duties. If qualified in the above mentioned occupation classification will be promoted to rate 4 after one hundred and twenty (120) days worked.

Disqualified Utility Helper Employee

Employee returns to last occupation classification held.

Position of Helper

Permanent helpers vacancies will be at the rate 4 classification with advancement to rate 5 classification after fifteen (15) months of work at permanent rate 4. Temporary vacancies in the Helper classification will be at rate 4. (See note below.)

NOTE: If the employee in the rate 4 classification in the helper and Reagent Mixers positions is off more than fifteen (15) consecutive work days (except for vacations), the time at rate 4 classification will be extended to match the time off.

EXHIBIT B.8

CONCENTRATOR TAILINGS DAM CONSTRUCTION CREW LINE OF FLOW

Position of Tailings Dam Crew

Rate of pay for all permanent members will (after serving 8 months at rate 4) advance to rate 8.

The permanent position of the Tailings Dam Crew will be filled from the Concentrator Department Operations. Position into the crew will be by department seniority.

The entrance level and exit level to and from the Tailings Dam Crew will be at the rate 4 classification. Advancement to rate 8 will be after eight (8) months of work at permanent rate 4.

NOTE: If the employee in the rate 4 classification in the entry level Tailings Dam Crew is off more than fifteen (15) consecutive work days (except for vacations), the time at rate 4 classification will be extended to match the time off.

An employee who accepts a permanent position on the Tailings Dam Crew:

1. From the Concentrator Operator Classification has one (1) scheduled period (one (1) week) where he or she can return to his or her previously held position.

After this one (1) week period, and before the end of the 60 day trial period, the employee can return to the helper category with full Operator/Helper seniority.

After 60 days worked at the entrance level at rate 4, return to the Concentrator Operating Line of Flow (voluntary, involuntary, or a reduction in force), will be at the Helper classification with Operator/Helper seniority the employee had at the time he or she entered the Tailings Dam Crew.

2. From Concentrator Helper Classification can return to this classification with full Helper seniority if the move is made before the end of the 60 day trial period. After the 60 day trial period, the employee will return to the Helper classification with the Helper seniority the employee had at the time he or she entered the Tailings Dam Crew.
3. From the Concentrator Labor Classification will return to laborer classification with full seniority.

Temporary Vacancy

(Filling For A Permanent Crew Member)

Will be at rate 4. Time spent as a temporary crew member will not count toward permanent rate 4 seniority.

Occasional Help

May be added to the Tailings Dam Crew at the Company's discretion. There will be no promotion to higher pay classification for occasional help.

Environmental/Water Facility Operator

Filling of a permanent and temporary vacancy will be with the senior qualified employee in the line of flow who has passed a basic skills test, has written and verbal communications skills and has a valid Arizona driver's license. Qualifications are determined by the Company.

Promotion To Heavy Equipment Operator
(Tailings Dam Construction and Road Maintenance)

Will be from the permanent rate 8 members of the Tailings Dam Crew. Permanent rate 8 seniority and qualifications will be considered. The trial period for promotion to Heavy Equipment Operator may be longer than 60 days at the discretion of the Company. During the trial period, the employee will receive his or her previous rate of pay. The employee who fills this position must be qualified to operate all equipment connected with tailings dam construction and road maintenance.

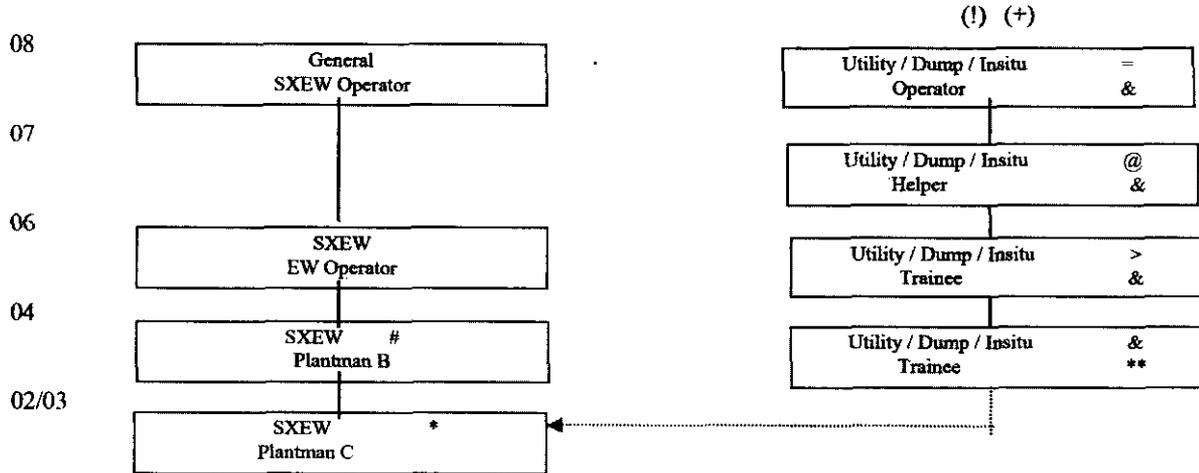
Reduction In Force

From the Concentrator Tailings Dam line of flow will be into the Concentrator Operations line of flow at the Helper classification. Seniority in the Helper classification will be same seniority as when the employee first entered the Tailings Dam Crew line of flow.

There is no Full Crew Concept. The number of employees assigned to a crew, if any, is at the sole discretion of the Company.

EXHIBIT B.9

**SXEW FACILITIES
PINTO VALLEY PLANT LINE OF FLOW**



Permanent Vacancies

The senior employee who bids for a job will be required to accept such job and will remain in the position until qualified unless disqualified due to inability to learn the job or perform the job satisfactorily. Employee will receive the rate for the respective position when qualified.

If there are no bidders, then the junior employee in the line of flow will be required to accept such job. This junior employee can return to previous held job after he/she has qualified in present job and when replacement is available. Replacement will become available after he/she has passed the sixty (60) day trial period (new in the line of flow) or passed the sixty (60) day probationary period (new hire).

- Successful bidder who elects to return during trial period, cannot bid on the same job for six (6) months.
- After the trial period, successful bidder cannot bid back down line of flow for six (6) months.
- Trial Period - Employee's bidding on jobs shall be considered on a trial period for thirty (30) days worked.
- Trial Period is defined in Article XV - Section C.
- The entrance and exit level is at the Plantman C classification.

Temporary Vacancies

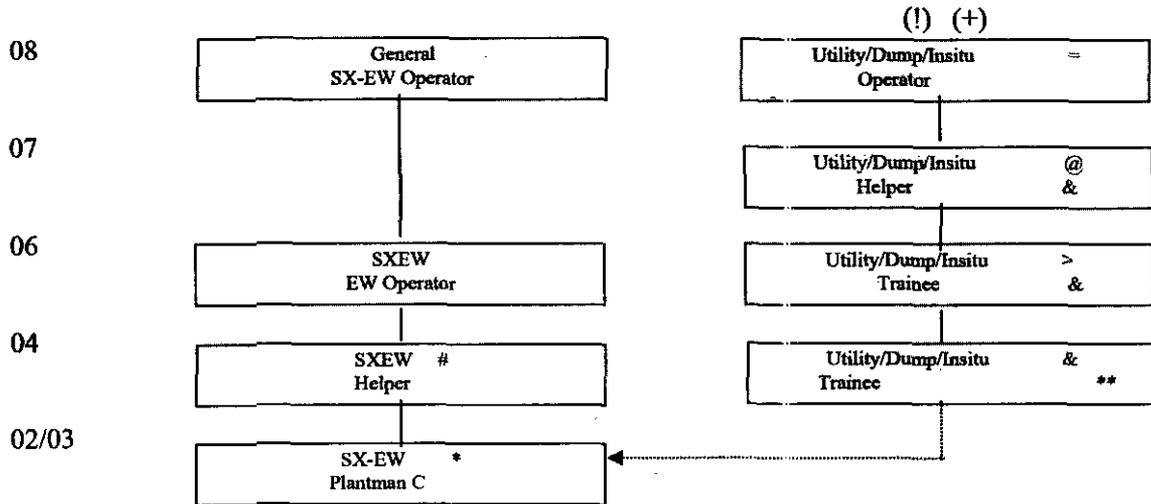
The senior qualified employee filling permanent Plantman B/Plantman C positions must promote up the line of flow provided more senior qualified employees in EW Operator positions decline the temporary vacancy as defined in the Agreement.

- Rate 3 after eighteen (18) months at rate 2.
- # Must be qualified to fill temporary vacancies in all classifications up the line of flow. Plantman B shall periodically exchange jobs with EW Operator. Assignments over 1 hour paid at the appropriate rate. Rate 5 after nine (9) calendar months at rate 4.
- = After 9 months as a Trainee 6 or upon qualification as Hoistman, Timberman, Shaft Repairman and possess a valid CDL; whichever is later
- @ Must qualify on the hoist within 80 full hours of Training/Operation OR possess and maintain a valid Commerical Drivers License AND qualify as a Timberman Helper to receive a promotion to rate 7.
- > After 3 months as a Trainee 4, must qualify on backhoe, Hydralift, loader, water truck, pipe fusing equipment and Insitu/Dump areas.
- & Must pass a hoistman physical annually.
- ** Pinto Valley line of flow
- (!) Crew combined with Miami Unit Utility/Dump/Insitu crew for Job Assignments and Vacation scheduling. "Combined Crew" will use "Company" seniority for vacation scheduling.
- (+) Must have one hoistman qualified and one CDL licensed employee in Pinto Valley Utility/Dump/Insitu line of flow.

Temporary Assignments: SX-EW employees in pay level 5 and below may be temporarily assigned from one SX-EW facility to the other in response to an operational situation. Assignments will be limited to no more than ten (10) consecutive calendar days.

EXHIBIT B.9a

**MIAMI UNIT SX-EW FACILITIES
LINE OF FLOW**



Permanent Vacancies

Filled by the senior qualified employee who bids for the job.

If there are no bidders, then the junior qualified employee in the line of flow will be required to accept such job. This junior employee can return to the previous job held when replacement is available. Replacement will become available after he/she has passed the sixty (60) day trial period (new in line of flow) or passed the sixty (60) day probationary period (new hire).

Successful bidder who elect to return during the trial period cannot bid on the same job for six (6) months.

After the trial period, successful bidder cannot bid back down the line of flow for six (6) months.

Trial Period - Employees bidding on jobs shall be considered on a trial period for sixty (60) days worked.

The entrance and exit level is at the Plantman C classification.

Temporary Vacancies

The junior qualified employee filling permanent SX-EW Helper and Plantman C positions must promote up the line of flow provided more senior qualified employees decline the temporary vacancy as defined in the agreement.

Disqualified Employees

Employee who is disqualified from any position in the line of flow during the trial period shall be allowed to retain a job as laborer at PVMD by Plant Seniority.

* Rate 3 after eighteen (18) months at rate 2.

Must be qualified to fill temporary vacancies in all classifications up the line of flow. SX-EW Helper shall periodically exchange jobs with EW Operator. Assignments over 1 hour paid at the appropriate rate. Rate 5 after nine (9) calendar months at rate 4.

= After 9 months as a Trainee 6 or upon qualification as Hoistman, Timberman, and Shaft Repairman and possess a valid CDL; whichever is later.

@ Must qualify on the hoist within 80 full hours of training/operation OR possess and maintain a valid Commercial Drivers License AND qualify as a Timberman Helper to receive promotion to rate 7.

> After 3 months as a Trainee 4, must qualify on backhoe, Hydralift, loader, water truck, pipe fusing equipment and Insitu/Dump areas.

& Must pass a hoistman physical examination annually.

** Miami Unit line of flow

(!) Crew combined with Pinto Valley Utility/Dump/Insitu crew for Job Assignments and Vacation Scheduling. "Combined Crew" will use "Company" seniority for vacation scheduling.

(+) Must have one hoistman qualified and one CDL licensed employee in Miami Unit Utility/Dump/Insitu line of flow.

Temporary Assignments: SX-EW employees in pay level 5 and below may be temporarily assigned from one SX-EW facility to the other in response to an operational situation. Assignments will be limited to no more than ten (10) consecutive calendar days.

EXHIBIT C

MEMORANDUM OF UNDERSTANDING BETWEEN THE COMPANY AND THE UNION, RE: CREW PREFERENCE BY SENIORITY (Applies to Concentrator H.D. Mechanics)

The Company is willing to negotiate for crew preferences under the following conditions:

1. Crews are defined by the Company. Presently they are defined as the Mill, Crusher, Outlying, Lube, Flotation, B Shift Crew (Sat and Sun off days), Rotating Shift Crew, subject to modification or elimination at the Company's discretion. Employees awarded crew preference shall be used at the discretion of the Company, i.e. There shall be no job preference within a crew.
2. Employees desiring assignment to a specific crew must submit their written request in triplicate to the Concentrator Repair Clerk 7 days prior to the opening on forms provided by the Company. The clerk shall forward the original copy to the Maintenance Superintendent, retain a copy for the Concentrator Repair Supervisor and give a copy to the employee.
3. Permanent openings in each crew shall be determined by the Company and may vary according to the requirements of the Company. The senior employee shall be awarded such opening on the basis of occupational classification seniority.

The employee who is awarded the opening shall work a trial period of up to sixty (60) working days during which time the Company will qualify or disqualify him for that crew.

An employee failing to qualify or one wishing to leave the crew within the sixty (60) day trial period will be reassigned to another crew at the discretion of the Company.

An employee wishing to voluntarily leave the crew after the 60-day trial period may transfer to another crew upon application when there is a vacancy and his seniority permits.

4. Normal assignment to a crew shall in no way affect the Company's right to assign an employee to work in accordance with the provisions of the Labor Agreement. (As defined in Article VII of the Agreement.)
5. "Break-in" employees are employees who are assigned by the Company to various crews for training. These training positions shall not be a matter for crew preference as defined herein.
6. Overtime shall be distributed first within crews as defined herein. If the necessary number of employees in a crew are not available, the overtime list of the Concentrator Repair Area shall be used for additional help.
7. There shall be no "bumping" by senior employees into crews where less senior employees are working. In other words, there must be a permanent opening as determined by the Company before the Company will honor a request for a permanent work assignment to a particular crew.

8. This Agreement shall not apply to trainees or apprentices. It is understood that they are governed by the training program or the apprenticeship program, whichever applies.
9. An employee promoted from rate 8 to rate 9 after the start of this Agreement shall not bump into a crew even though he may be more senior than an employee already there. He must follow the procedure as defined herein after he becomes a Rate 9.
10. Rate 9 and rate 10 shall be considered together for the purpose of this proposal only.
11. It is mutually agreed upon to interpret days off by occupational classification within crews as previously defined.
12. Newly hired employees shall be assigned to work within all crews during the sixty (60) day probationary period.
13. For the purpose of this understanding, Article VIII, Section E. Shift Rotations, Paragraph 2, 1st sentence, "Two and three shift operations employees will be rotated on an equal basis, except that employees assigned to duties which are normally performed on only a single shift in each work day are not required to rotate," shall be waived. The above applies only to the current two (2) shift operation.
14. Subject to acceptance of the above understanding, the Company proposed to begin staffing permanent openings in each crew as rapidly as employees who are fully trained in all crews are available, but only to the extent that manning of all crews will not suffer.

EXHIBIT D

MEMORANDUM OF UNDERSTANDING BETWEEN THE UNION AND THE COMPANY, RE: AREA PREFERENCE BY SENIORITY

(Applies only to craftsmen in the shop area and those assigned from the shop to the Mine, Concentrator or Miami Unit Areas)

1. Areas are defined only as the Mine, Concentrator, Shop and Miami Unit within occupational classifications. Employees awarded work areas shall be used at the discretion of the Company anywhere within such area, i.e.; there shall be no job preference within an assigned area.
2. Employees desiring a defined area to work within must submit their written request in duplicate to their immediate foremen on forms provided by the Company. The foreman shall forward the original copy to the Mechanical Office and give the duplicate copy to the employee.
3. Permanent openings shall be determined by the Company and may vary according to the requirements of the Company. The senior employee shall be awarded such opening on the basis of occupational classification seniority. The employee who is awarded the opening shall work a trial period of up to sixty (60) working days during which time the Company will qualify or disqualify him for that area. An employee who wishes to voluntarily return to the area he transferred from may request to do so anytime within the sixty (60) day trial period. The actual date of return shall be convenient to the work schedule required by the Company. Each employee shall be evaluated in writing and in as much detail as is practical at least once, no more than half way through his trial period. If an employee is disqualified, he shall be informed of same in writing and in as much detail as is practical and then assigned to his "old" area, assuming he has the seniority to return.
4. Normal assignment to work area shall in no way affect the Company's right to reassign an employee for an interim period to anywhere on the property it deems necessary. (Work Practices as defined in Article VII of the Agreement).
5. "Break-in" employees are employees who are assigned by the Company to an area for training. These training positions shall not be a matter for area preference as defined herein.
6. Overtime shall be distributed within work areas as defined herein.
7. There shall be no "bumping" by senior employees into areas where less senior employees are working. In other words, there must be a permanent opening as determined by the Company before the Company will honor a request for a permanent work assignment to an area.
8. This Agreement shall not apply to trainees, or apprentices. It is understood that they are governed by the training program or the apprenticeship program, whichever applies.
9. An employee promoted from rate 8 to rate 9 after the start of this Agreement shall not bump into any area even though he may be more senior than an employee already there. He must follow the procedure as defined herein after he becomes a rate 9.

10. In order to insure a proper complement of craftsmen, vacations shall be scheduled within classifications.
11. Rate 9 and rate 10 shall be considered together for the purpose of this proposal only.
12. It is mutually agreed upon to interpret days off by occupational classification within work areas as previously defined.
13. The contract shall be interpreted to reflect non-rotating shift preference by seniority within work areas as previously defined.
14. Boilermakers and Pipefitters will have crew preference under area preference within the guidelines of Exhibit C-Memorandum of Understanding Between the Company and the Union, Re: Crew Preference by Seniority, pages 67-69.

Note: Where crews are not established, crews will be defined by the Company.

EXHIBIT E

CONCENTRATOR DEPARTMENT OPERATIONS OVERTIME

- A. 1. The Company management determines when, or if, overtime work is necessary. (Article IV)
2. Overtime procedures will be handled as at present in all plant areas. If overtime must be assigned, the assignment will be made to the junior employees in the classification on the property. Problems will be resolved between department heads and chief stewards within the area. No employee shall be required to work weekly overtime more often than two (2) days per month.
3. Day-to-day vacancy to be filled by contract.
4. If Company chooses to fill remaining vacancy it will do so first by doubling from those "available" in order of listing on overtime list.
- A. There will be no more than two (2) consecutive days of doubles made by any one (1) employee. (Per Agreement Article IX, Section C.)
- B. All employees wanting to double must be "available".
- (1) Crusher and Mill employees must be inside the Mill building at the south exit at the end of the shift.

Exception - Filter Plant Employees - must be available when called on the telephone at Filter Plant.

5. Overtime lists will be posted on a monthly basis. The list will be the monthly work schedule.
6. The Company has the right to refuse overtime to unqualified employees.
- B. GENERAL**
1. Overtime referred to in this Agreement includes:
- A. Daily overtime and call-out on scheduled work days.
- B. Weekly overtime (6th and 7th days and call-out on scheduled days off).
2. Telephones will be used to contact employees for call-out. Employees without current telephone numbers listed on the overtime sheet will not be considered for call-out.
3. Overtime continuous to a shift (not double over or call-out), will be offered first to the employee already on the job carrying into overtime.

C. OVERTIME LISTS

1. Overtime will be offered to employees in descending order of their current position on the monthly work schedule (i.e., top man on list first, etc.): If the first employee refuses or one (1) or more employees are needed for overtime, overtime shall be offered to each employee, if available, in descending order until the required number of employees are found or the schedule is exhausted.
2. The employee whose name appeared at the top of the schedule during the previous month shall be placed at the bottom of the monthly work schedule for the next month.
3. A man joining the work crew shall be placed at the bottom of the work schedule. He will be offered overtime only if all those above him refuse or when his name is rotated in order to the top of the list.

EXHIBIT F

The Ranking Agreement of 6/18/74 is discontinued and the following conditions are established:

1. All employees who were ranked as of 12/31/74 shall retain 02/07/74 as a plant seniority date.
2. The seniority list will no longer carry the asterisk (*) which denoted "Ranked Employee".
3. The occupational seniority position of employees will remain in their respective positions. To accomplish retaining "relative" occupational position, an "adjusted" occupational seniority date will be assigned where needed.

EXHIBIT G

MINE MAINTENANCE LEADMAN

1. When an employee's services are no longer required as a Leadman, the employee involved will be returned to the occupation and Mine Maintenance Shop from which the employee was assigned as a Leadman.
2. When the return of the employee, in accordance with item #1 above, results, in the Company's opinion, in more craftsmen than the Company needs in the Mine Maintenance Shop involved, the lowest in occupational seniority craftsman will be reduced from that Mine Maintenance Shop. When this occurs, the craftsman so reduced will be assigned to a Mine Maintenance Shop where a vacancy exists. If no vacancy exists, the craftsman involved will be subject to the "Reduction in Force" provisions in the Labor Agreement. The reduced craftsman has no rights to return to the craftsman's "old" shop other than through the transfer and/or "Reduction in Force" provisions of the Labor Agreement.

EXHIBIT H

AGREEMENT FOR MERGING THE MIAMI UNIT METAL TRADES, IBEW, TEAMSTERS, OPERATING ENGINEERS AND MIAMI EAST OPERATIONS INTO THE PINTO VALLEY OPERATIONS BARGAINING UNIT AND AGREEMENT

1. Grandfather present Miami Unit employees. Miami Unit seniority shall be utilized within the MU - SXEW facility. (Occupation, Department, Plant.)
2. Miami Unit employees shall be given a 07/01/86 seniority date at Pinto Valley (Occupation, Department, Plant).
3. Grandfathered employees transferred to Pinto Valley as a result of a reduction in force at the Miami Unit shall have first opportunity to return to Company declared permanent vacancies at the Miami Unit.

The same grandfathered employees working at Pinto Valley shall be utilized at the Miami Unit for temporary vacancies of seven (7) days or more. Replacement shall be made on the Monday following the seventh (7th) day.

4. Place the Miami Unit employees into Pinto Valley job classifications.
5. There will be no bumping from Pinto Valley into the Miami Unit and vice versa.
6. In the event of a reduction in force at the Miami Unit, grandfathered Miami Unit employees would be assured of a job within their classification at Pinto Valley. This assurance is valid until a reduction in force in their classification occurs at Pinto Valley.
7. Grandfathered employees shall compete for vacations between themselves. Grandfathered employees shall replace each other at the Miami Unit for vacations so long as the vacation request is approved at least one (1) month in advance. The Company may use the Miami Unit employee as a vacation replacement if there is less than one (1) month advance request for a vacation.
8. An employee who voluntarily transfers out of the Miami Unit shall lose grandfather rights.
9. These proposals apply only to the employees and classifications as listed above.

EXHIBIT I

AGREEMENT FOR MERGING THE MIAMI UNIT USWA BARGAINING UNIT INTO THE PINTO VALLEY BARGAINING UNIT AND AGREEMENT

1. Grandfather present Miami Unit employees. Miami Unit seniority would be utilized by grandfathered employees within the Miami Unit SXEW facility to return from reduction in force. (Occupation, Department, Plant.)
2. Place the Miami Unit employees into Pinto Valley job classifications.
3. Miami Unit employees who want to transfer (interdepartmental transfer) out of the Miami Unit to other departments, must do so in accordance with the Pinto Valley Agreement. (Pinto Valley plant seniority - 07/01/84.)
4. There will be no bumping from Pinto Valley into the Miami Unit and vice versa.
5. For purposes of a reduction in force at the Miami Unit, Miami Unit grandfathered employees (SXEW operations & Underground Crew) would be permitted to bump within the Miami Unit using the procedure currently found in the Miami Unit Agreement (see page 85-Bumping Procedure). Employees bumped and/or reduced to the laborer classification would utilize the procedure found in the Pinto Valley Agreement to hold a job as a laborer at Pinto Valley. Miami Unit employees shall have a plant date of 07/01/84 at Pinto Valley. (This excluded machinists and auto mechanics - they are treated the same as other crafts.)
6. Miami Unit employees in the EW Operator & Plantman Ⓞ (*) classifications shall have their rates red-circled. A red-circled employee may refuse a permanent promotion up the line of flow. An employee red-circled who changes jobs elsewhere in Pinto Valley shall forfeit his red-circled status. In the event of a reduction in forces of more than 90 days, an employee shall lose his red-circled status.
7. Establish an Underground Crew in the Pinto Valley Agreement.
8. Place the Miami Unit Underground Crew into job classifications as established in the Pinto Valley Agreement.
9. Underground employees who wish to move to jobs elsewhere at Pinto Valley may do so in accordance with the Pinto Valley Agreement. Underground employee' plant seniority shall be date of ratification (07/01/86).
10. The Craftsman (Machinists and the Auto Mechanics) at the Miami Unit shall be placed respectively in the Specialist (Machinist) and General Heavy Duty Mechanic classifications at Pinto Valley. They shall be treated in accordance with the Agreement for merging the MU Metal Trades, IBEW, Teamsters, Operating Engineers and Miami East Operations into the Pinto Valley Bargaining Unit and Agreement as agreed upon between the Company and the Unions on 05/22/86.

BUMPING PROCEDURE (Applies only to Exhibit I #5)

In case of an employee's (above rate of pay level 2) services are no longer required in his classification, the employee may, if he has the necessary unit seniority and qualifications, displace an employee in his classification or any other classification in the Bargaining Unit according to the procedure outlined below. This does not apply to jobs disturbed by an employee returning from authorized absence.

This procedure shall apply to bid jobs only subject to the following:

Except when an employee has previously progressed through a training program or line of flow, he may bump into the highest level he previously attained or classification in which he worked with the Company.

1. Initial move that begins the bumping procedure. The company will notify an employee at least fourteen (14) days in advance of the date his services will no longer be required in his classification. When the employee is so advised he will have until noon on the Wednesday preceding the scheduled workweek in which the change occurs to notify the Company of the employee he desires to bump.
2. Subsequent Bumping. The individual who is to be bumped as a result of Step 1 above will have seven (7) days from the date he is advised by the Company of being bumped to notify the Company of the employee he desires to bump.

An employee has only one choice of whom he desires to bump. An employee who rejects the job on which he has chosen to bump will be demoted to the Labor Force as a Laborer.

An employee will have up to twenty-eight (28) days worked in which to qualify or disqualify himself on the job on which he has bumped. If the employee is disqualified or disqualifies himself within the twenty-eight (28) days worked period, he will be demoted to the Labor Force as a Laborer. An employee displaced under this procedure will be returned to the job from which he was displaced.

An employee who does not advise the Company of whom he desire to bump within the time period described in Steps 1 and 2 will be demoted to the Labor Force as a Laborer.

SAFETY AND HEALTH - DISPUTES RESOLUTION

In providing the procedures outlined herein, the parties agree to guard against the misapplication of this procedure by those seeking to use it for purposes not related to safety or health and/or by the misapplication of the immediate danger provisions described herein. It is, therefore, the continuing responsibility of all employees, as well as all Company and Union representatives, to make certain that the provisions of this procedure are applied solely for, and in the manner intended herein.

If, at any step in this procedure outlined below, the Company finds that an unsafe condition does exist which involves an immediate danger, the condition will be corrected before any employee is assigned to do the work.

An employee who in good faith believes an unsafe condition exists which is beyond the normal hazards inherent in the operation which involves an immediate danger of injury to his person should notify his immediate supervisor who will immediately investigate to determine whether or not such conditions do exist.

1. First Step

If the immediate supervisor determines that such immediate danger of injury does not exist, he will instruct the employee to do the work.

If the employee still believes that such conditions do exist, the employee may then request a union safety committee representative on the shift to confer immediately with the foreman on the subject. Upon conferring, the parties must first decide if an immediate danger of injury exists. If the parties agree that no danger of immediate injury to the employee exists, the employee shall be advised to perform the work.

If, upon conferring, the immediate foreman and the union safety committee representative on the shift cannot agree whether or not immediate danger of injury exists, the matter shall be reduced to writing by the employee or the employee's representative on forms provided by the Company and the matter will then be referred to the next step.

While the matter is under consideration, the employee will be assigned other work in his classification or another classification as appropriate if such is available. Nothing contained herein shall preclude the Company from assigning another employee to do the work in question if the Company has determined that no immediate danger of injury exists.

No employee or representative, other than communicating the facts relating to the safety of the work, shall take any steps to prevent the assigned employee from doing the work. (Move the employee out of the area so he cannot communicate with the replacement.)

2. Second Step

If the dispute continues, the General Foreman, Safety Engineer, Safety Committeeman on shift, and the Union Safety Chairman or their designees shall then confer to decide if an immediate danger of injury exists.

3. Third Step

If the dispute continues, the Department Superintendent, Safety Director, Union Safety Chairman, and the President of the Local or their designees shall then confer to decide if an immediate danger of injury exists. If the question is not then resolved, the parties shall review the matter with the Plant Superintendent or his designee. If the matter still remains in dispute and involves standards administered by a State or other governmental agency, it shall be submitted by the Plant Superintendent or his designee to the appropriate agency, otherwise it may be submitted to the final step of the grievance procedure.

No employee shall be discharged or disciplined for the reasonable good faith exercise of the rights set forth in the above procedure.

An employee alleging an unsafe working condition beyond the normal hazards inherent in the operation, which condition does not pose an immediate danger of injury to his person, shall refer it to the appropriate safety committee through regular safety communication procedures rather than the procedure set forth above, or if appropriate, the matter may be processed through the grievance procedure and such grievances shall be processed without delay.

If the Company or the Union believes during the term of this agreement that the Disputes Resolution Procedures is being abused, use of the procedure may be suspended until the Union's and the Company's collective bargaining representatives have an opportunity to review such abuse and take necessary action.

CHEMICALS, SOLVENTS AND COMPOUNDS

Where the Company is currently using chemicals, solvents and/or compounds or when new chemicals, solvents and/or compounds are to be introduced, the Company will inform the Joint Management/Union Safety and Health Committee what known hazards in normal use are involved, if any, and what precautions will be taken to assure the safety and health of the employees involved. Those employees who will be required to work with or in the area of such chemicals, solvents and/or compounds, will be instructed in the hazards, precautions and handling procedures of such materials.

PROTECTIVE DEVICES AND EQUIPMENT

The Company shall furnish required protective equipment and protective devices (excluding safety shoes, where not now furnished) necessary to protect employees from industrial illness and injury. Special protective wearing apparel such as rubber suits or aluminized clothing will also be furnished by the Company where necessary to protect employees. When significant changes are made in such devices or equipment, the Joint Safety and Health Committee will be advised of such changes.

CIVIL RIGHTS ATTACHMENT

Section 1.

The Company and the Union agree not to discriminate against any employee because of race, color, creed, national origin, sex, age, religion, handicap or Union activity in all matters pertaining to hiring, wages, hours and working conditions. The representatives of the Union and the Company, in all steps of the grievance procedure and in all dealings between the parties shall comply with this provision.

Section 2.

The Union may designate at each location a Civil Rights Committee consisting of not more than one (1) representative from each Union. The Committee will cooperate with the Company to resolve matters relating to complaints on problems involving Civil Rights. The Company will review with the Committee any complaints based upon any alleged discriminatory issues, practices or discharges. The Civil Rights Committee will meet with the Employee Relations Manager or his representatives, whenever mutually agreed, but in any event no less than once each quarter. The Civil Rights Committee will specifically not process, handle or otherwise administer grievances. It is not intended by the parties that this Committee shall displace the normal operations of the grievance procedures. However, the Committee may take action concerning those matters set forth in Section 1 which is not contrary to provisions of the Labor Agreement.

Section 2a.

The individual Union civil rights representative shall handle its own civil rights complaints with the Company committee. It is understood that at the Pinto Valley Operations there shall be a joint Civil Rights Committee consisting of four civil rights union committee members, one each from Teamsters, Operating Engineers and United Steelworkers of America and one jointly from the Boilermakers, Carpenters, Pipefitters and Electricians.

Section 3.

The Civil Rights Committee shall be afforded such time off without loss of pay as may be required to attend regularly scheduled joint committee meetings.

**BHP COPPER INC.
PINTO VALLEY DIVISION**

PINTO VALLEY DIVISION

BHP COPPER INC.

/s/ Michael M. Eamon
General Manager

/s/ David L. Palmer
Vice President, Human Resources

/s/ Lupita S. Gonzales
Human Resources Manager

/s/ Jon E. Pettibone
Counsel

/s/ Frank G. Cappelli
Mill Manager

/s/ Joseph A. Fernandez
Mine Manager

/s/ Joel K. Witt
SX-EW Operations Manager

/s/ Francis R. McAllister
Manager, Administration

THE UNION

International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, No. 104:

/s/ Amy Friauf
Business Representative

International Union of Operating Engineers, Local No. 428 - AFL-CIO:

/s/ Henry J. Montano
Business Representative

/s/ James E. Grice
Chief Steward

United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada, Local 469 - AFL-CIO:

/s/ Ray A. Carter
Business Representative

/s/ Fred Sanchez
Chief Steward

International Brotherhood of Electrical Workers, Local No. 518 - AFL-CIO:

/s/ Larry W. Griffin
Business Manager

/s/ Bernardino G. Cruz Jr.
Chief Steward

The United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Services Workers International Union (AFL-CIO-CLC)

/s/ Manny Armenta
Sub-District Director

/s/ Celestino W. Flores
President—Local 915

/s/ Ernest C. Herrera
Chief Steward—Local 915

International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers,
Local No. 627 - AFL-CIO:

/s/ B. Allen Meyers
Business Manager

/s/ _____
Chief Steward

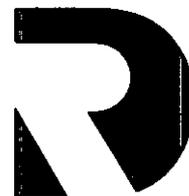
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Dan River Inc.

J. L. Glasgow, Jr.
Manager, Labor Relations
and Workers Compensation

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434/799 7290
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December 14, 2007

Dear Mr. Jefferies,

Enclosed please find a signed copy of the most recent negotiated agreement between Dan River Inc. and UFCW as requested in your letter dated 12/12/07. The agreement was signed in June of 2005.

Please file this document in your private files as described in paragraph two of your letter.

Feel free to contact me if any additional information is needed.

Sincerely,


J.L. Glasgow
Manager, Labor Relations

enclosure