



File: 2122-D0005-3

May 11, 2016

**To: ALL EMPLOYEES OF DOMINION DIAMOND EKATI CORPORATION
REPRESENTED BY THE PUBLIC SERVICE ALLIANCE OF CANADA**

Re: RATIFICATION OF EMPLOYER'S OFFER TABLED APRIL 28, 2016

Attached is the Employer's offer tabled April 28, 2016.

The PSAC and your bargaining team have agreed to bring the offer to you, the members, for a ratification vote. The PSAC will hold Information meetings and a ratification vote on May 16th, 17th, 18th and May 30th, 2016, at the Ekati mine site.

Your bargaining team has been in negotiations with the Employer since August of 2014 and has been bargaining in good faith to reach a fair and reasonable agreement. However as you will see, the Employer's offer contains several very significant concessions that will take away some important provisions of your collective agreement.

Your bargaining team felt it was important that you, the members, have an opportunity to see what Dominion Diamond Ekati Corporation is offering you and allow you, through your vote, to let them know that you are not willing to accept concessions. **For this reason your bargaining team is recommending that you reject the Employer's offer by voting "No" on your ratification ballot.**

The following is a summary of several of the Employer's proposals that require further explanation:

Signing Bonus - \$1250 – one-time lump sum payment to all bargaining unit members on the payroll at time of ratification. The expectation of the employer is that this lump sum would also be full compensation for any out-of-pocket expenses incurred by members due to the cancellation of the Edmonton to Yellowknife charter in June 2015.

\$ 250 - will only be paid if 75% or more bargaining unit members vote on the offer and the offer is accepted.

* Signing Bonus are not pensionable, do not compound and are not eligible for the 17% Site Allowance.

Vacation – delete 19.03 – this will eliminate the ability for employees to carry over vacation credits into succeeding years for up to 384 hours. If ratified, this will reduce the ability for employees to schedule and receive paid leave for personal or family-related occasions, outside of their annual vacation leave entitlement.

Severance – Employees hired after ratification would not be entitled to the severance provisions of the collective agreement and would receive notice in lieu of severance.

Sick Leave – employees will not be paid sick leave for the first 3 days of illness (unless such illness continues for 30 days or more).

- this will essentially eliminate employees receiving paid sick leave for illnesses of less than 3 days. On average employees at DDEC are paid \$480 per day, so for each day that you are sick, this is the amount that you will be losing.

- in return the employer is offering \$1000 bonus for employees that do not take any sick days for an entire calendar year.

Duration - if ratified the collective agreement would have an expiry date of May 31, 2019, which will be a 4 year 9 month agreement.

Salaries - Retroactive** to June 1, 2015 - 1.5% increase to all salary levels *except Grade 8
- Effective June 1, 2016 - 0%
- Effective June 1, 2017 - 1.5% increase to all salary levels *except Grade 7 and 8
- Effective June 1, 2018 - 1.5% increase to all salary levels *except Grade 7 and 8

* Increases in 2015 for Grade 8, and in 2017 & 2018 for Grades 7 and 8 will be paid as lump sums equal to 1.5% of salary and paid pro rata in each pay period. These lump sum payments are not pensionable, do not compound and are not eligible for the 17% Site Allowance.

** Retroactivity is to base salary only and will not be applied to overtime, vacation pay, pension, incentive plan etc.

If the Employer's offer is rejected by you the membership, it is the intention of the PSAC to return to the bargaining table to reach a fair and reasonable collective agreement without concessions.

Your bargaining team comprised of:

Ian Kelly, Local X3050 President
Ivan Landry, Team Member
Ole Frantzen, Team Member
Gary Morrison, Team Member
John Wilson, PSAC Negotiator

In Solidarity,



Jack Bourassa,
Regional Executive Vice-President

cc: National Board of Directors
Todd Parsons, President, UNW
Directors' Team
Linda Cassidy, A/Coordinator, Negotiations Section
Goretti Fukamusenge, A/Coordinator, Representation Section
Shelina Merani, Coordinator, Communications
David-Alexandre Leblanc, Senior Research Officer, Negotiations Section
John Wilson, Negotiator
Negotiations Section
Patricia Harewood, Legal Officer
Margaret Barry, Administrative Assistant to Legal Officer
Debbie McLaughlin, A/Regional Coordinator
Mark Populus, Regional Representative
Micheline Labelle, Supervisor, Membership Administration
Dale Robinson, Strike Mobilization Project Officer

DOMINION DIAMOND EKATI CORPORATION

Collective Agreement Negotiations

Proposals of the Employer

Tabled April 28th, 2016

Other than revised in this document or provisions that have already been agreed to, all provisions of the current collective agreement remain unchanged.

All matters relating to the CIRB complaint are deemed settled and those matters will be withdrawn, on a without prejudice basis.

The Union will conduct a ratification vote of the bargaining unit in connection with this offer.

The Employer committee will recommend the acceptance of this offer to its Board of Directors.

General Editorial

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

Signing Bonus

The Employer will make a one-time lump sum payment to every bargaining unit employee on the payroll at the time of ratification in the amount of \$1,250.00.

If the Employer's offer is accepted and at least 75% of the members of the bargaining unit, who are eligible to vote, cast a ballot in the ratification vote, the one-time lump sum referred to above will increase to \$1500.00.

Article 9 – Union Representatives

Housekeeping – move 9.06 to Article 8 – “Union Dues and Check-Off”

Article 19 – Vacations

~~Delete Article 19.03 -Vacation entitlement may be carried over from year to year to a maximum of 384 hours. Vacation accrual in excess of 384 hours as of December 31st and not scheduled for the following year, will be paid out.~~

Article 25 – Severance, Layoff and Recall

Add a new paragraph:

For employees hired after ratification, the Employer may provide working notice in lieu of severance.

Article 27 – Vacancies, Promotions, Job Postings, Transfers

Amend 27.07 to read:

No employee shall be transferred to a position outside the Bargaining Unit without his or her consent. If an employee **accepts** a position outside the Bargaining Unit, he or she shall retain **their bargaining unit seniority for up to four (4) months** from the date of leaving the Bargaining Unit. If the employee **does not** return to a position in the Bargaining Unit within **four (4) months, all bargaining unit seniority shall be lost.**

Article 27.09 - New

For the duration of this collective agreement, the Employer will continue its current policy with respect to performing the duties of a higher paying classification, (i.e. Section 5.0 of the Policy which stipulates \$1.50 per hour when eligibility criteria are met).

Article 31 – Northern Travel Allowance

Article 31.04

The amount of the Northern Travel Allowance shall be based on \$15,000 per year, effective July 1, 2014. Northern Travel Allowance is payable on a pro-rata basis on each pay period to employees who are eligible Northern Residents.

Article 32 – Sick Leave

Change the plan to a 1/1/4/33 plan with full pay coverage on the first day of each accident, first day of each hospitalization, fourth day of each sickness. Coverage continues up to and including the 33rd day of absence. STD starts on the 34th day of absence. However, an employee, whose illness requires them to be absent for thirty consecutive days, will be reimbursed for the initial three unpaid days when they qualify for short term disability.

Employees who do not take any sick days for the entire calendar year will be paid a bonus of \$1,000.00.

No other change to STD or LTD plans.

Article 39 - Duration

The collective agreement will have a duration starting September 1, 2014 and expiring on May 31, 2019.

Appendix A – Salaries

- i) Effective upon ratification, all salary levels in Appendix A-2, other than those salaries at Grade 8, shall be increased 1.5%, retroactive to June 1st 2015. Only employees on the payroll as active employees on the date of ratification shall be eligible for the retroactive pay to base salary. (For clarity, this includes employees on approved leaves of absence and medical leaves). All other increases (for example to overtime rates, vacation pay, pension, incentive plan etc.) shall be effective upon ratification.
- ii) Effective each June 1 of this collective agreement, all salary levels shall be increased by the following percentage:
 - a. June 1, 2016 – 0%
 - b. June 1, 2017 – 1.5%
 - c. June 1, 2018 – 1.5%
- iii) Notwithstanding the above, the salary levels at Grade 8 are frozen and will not increase over the term of the collective agreement. If an employee is already at Grade 8 at the time of ratification, then the employee will receive, in lieu of a salary increase, a lump sum payment equal to the general wage increase and paid pro rata on each pay deposit.
- iv) If a salary increase as set out above results in an employee hitting the salary level at Grade 8 on the current salary grid, then the employee will go to the grade 8 salary level and receive any additional increase as a lump sum in lieu of the remaining increase and the amount will be paid pro rata on each pay deposit.
- v) Salary increases will be applied as percentages and will not necessarily move an employee up to the next higher grade level in the grid.

- vi) Delete paragraph C of Appendix A (1% merit pay)
- vii) Delete from the first sentence of paragraph F of Appendix A the words "based upon merit"
- viii) Effective upon ratification, but immediately after the retroactive pay described above has been paid, all employees currently in Range 13 will be moved to Range 14 and shall be placed at the salary level that is nearest to but not less than their current salary.
- ix) Revise paragraph J of Appendix A to read:
 - a. "When the Employer requires a bargaining unit member to act as a temporary supervisor, for the duration of the temporary assignment, the employee shall receive an acting premium equal to the lesser of 10% of their base salary rate or the actual base salary of the position they are acting in. To be eligible for the premium, the temporary position must be one in which the employee actually supervises other employees and has direct reports. For greater clarity, this does not include Assistant Team Leader or Planner positions.

Letter of Understanding – Performance-based Discretionary Incentive Plan

For the achievement of budget level performance, the amount of the incentive plan payout will be increased from 7.5% of base salary to 8.5% of base salary.

For all KPI's except Safety, the Incentive Plan will pay out on a pro-rated basis for partial achievement of the targets, i.e. if 80% of the target is achieved, then 80% of the incentive payment will be paid out for that KPI.

The last paragraph on Page 60 of the booklet collective agreement (page 38 of the larger format version) that sets out the Incentive terms is amended as follows:

"Base salary earned includes vacation but excludes pay for such things as allowances, premiums, overtime, sick leave/short term disability benefits and long term disability benefits. Any required deductions will be withheld at source."