

Letter of Agreement

Between

Teck Coal Limited Fording River Operations

And

United Steelworkers Local 7884

The following outlines the Trades Retention Plan agreed to by the parties on this 10 day of December 2018 and will become effective on January 01/2019.

1. Certified Tradespeople and Apprentices will be eligible to receive the grant amount.
2. Certified Tradespeople and Apprentices on short term disability will be eligible to receive grant amount.
3. Certified Tradespeople and Apprentices on long term disability will not receive grant amounts during the time they are claiming long term disability benefits. Portions of grant amounts already accrued will be paid out based on the normal maturity date.
4. The date of granting will be January 1, 2019.
5. The grant will mature in equal amounts over a three year period effective January 1 of each year.
6. Terminated Tradespeople or Apprentices or those quitting prior to the payout date will lose granted amounts.
7. The estate of those who become deceased during their employment will be eligible to collect the funds maturing at the conclusion of the year in which the employee dies.
8. For Tradespeople or Apprentices that retire they will be paid out a prorated portion of the grant earned up to the date of retirement rounded to the nearest full month of employment.

IE: Employee was eligible for \$6000 at the end of 2018 but retires on June 30<sup>th</sup> the employee would receive  $6/12$  of  $\$6000/12 \times 6$  months = \$3000 on their final pay.

Employee was eligible for \$6000 at the end of 2018 but retires on February 22<sup>nd</sup> the employee would receive  $1/12^{\text{th}}$  of  $\$6000/12 \times 1$  month = \$500 on their final pay.

9. New Tradespeople or Apprentices who commence work between January 01 and June 30<sup>th</sup> will receive a full grant for that year. For those employees hired or indentured after June 30<sup>th</sup> they will be eligible for 50% of that years grant.

IE: Employee hires on February 10<sup>th</sup> 2019 the grant for that year will remain at 100% so the employee would be paid \$2000 in 2019, 2020 & 2021.

Employee hires on July 2<sup>nd</sup> 2019 the grant for that year would be 50% so the employee would be paid \$1000 in 2019, 2020 & 2021.

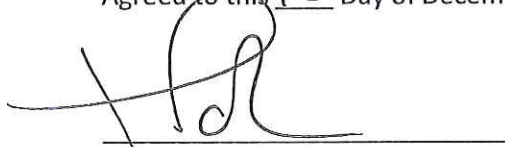
10. For those employees who transfer from hourly to staff, their trades retention grants will wrap up and be prorated and paid out in the same manner described in point #8.

11. Previously granted amounts will continue to be paid out as they mature in 2022.
12. The Trades Retention Plan is a one year program that will require renewal through mutual agreement in 2020.

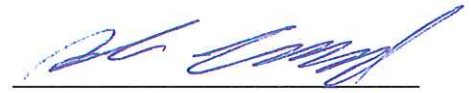
Trades Retention Plan Schedule

| 2016         | 2017         | 2018 renewed | 2019 renewed | 2020             | 2021   | 2022   |
|--------------|--------------|--------------|--------------|------------------|--------|--------|
| \$2000       | \$2000       | \$2000       |              |                  |        |        |
| \$6000 grant | \$2000       | \$2000       | \$2000       |                  |        |        |
|              | \$6000 grant | \$2000       | \$2000       | \$2000           |        |        |
|              |              | \$6000 grant | \$2000       | \$2000           | \$2000 |        |
|              |              |              | \$6000 grant | \$2000           | \$2000 | \$2000 |
|              |              |              |              | Renewal required |        |        |
| Amount Paid  | \$6000       | \$6000       | \$6000       | \$6000           | \$4000 | \$2000 |

Agreed to this 10 Day of December, 2018



Troy Tobin  
Human Resources Superintendent  
Fording River Operations



Adam Connell  
Union President  
United Steelworkers, Local 7884