

How Does Our Offer Stack-Up?

IOC is proposing a very competitive offer.

The below highlights the main elements of our proposal, illustrating its competitiveness. Combined with the other IOC benefits, IOC believes it is a very good proposal. In the Global market place in which we operate, we need to ensure that we have the flexibility and capability to deliver on our commitments. New Iron Ore producers are emerging in lower cost countries, namely Ukraine and Brazil, and with whom we need to compete. We need to evolve in order to stay competitive. The offer extended provides a valuable package for employees and helps to ensure the long term sustainability of IOC which benefits the communities in which we operate.

Average Annual Wage Increase

Average Base Wage Increase (including COLA where applicable)	IOC	Arcelor (Mount Wright)	VBNC (Voisey's Bay)	Champion Resources (Bloom Lake)
Years of contract	2018-23	2017-21	2016-19	2017-20
Average wage increase (including COLA where applicable)	2.4%	2.4%	3.0%	2.9%

Hourly Wage Rate Comparison

Wages + COLA		IOC	Arcelor (Mount Wright)	VBNC (Voisey's Bay)	Champion Resources (Bloom Lake)
Operator (IOC Operator Maintainer)	March 2018	\$42.03	\$38.44	\$33.30	\$35.34
	March 2020	\$43.71	\$40.70	N/A	\$37.49
Mechanic (Maintainer Operator Mechanical 2)	March 2018	\$46.89	\$45.10	\$35.48	\$41.44
	March 2020	\$48.73	\$47.62	N/A	\$43.96
Electrician (Maintainer Operator Electrical 1)	March 2018	\$47.51	\$45.77	\$35.48	\$41.44
	March 2020	\$49.37	\$48.31	N/A	\$43.96

Average Lifetime Pension After 30 Years' Service Employer Contributed Portions – Up to and after Age 65

	Type of Plan	Average monthly lifetime pension
IOC	Defined Benefit + Defined Contribution	\$3,335 (\$2,525 after 65)
Arcelor (Mount Wright)	Defined Benefit	\$2,830 (\$1,840 after 65)
VBNC (Voisey's Bay)	Defined Contribution	\$3365
Champion Resources (Bloom Lake)	Defined Contribution	\$2625

Other Terms & Conditions of Note

	IOC	Arcelor (Mount Wright)	VBNC (Voisey's Bay)	Champion Resources (Bloom Lake)
Probation Period	5795-90 calendar days 6731-45 calendar days 9344-480 worked hours (Approx. 84 calendar days)	720 worked hours (Approx. 128 calendar days)	6 calendar months with potential to extend (Approx. 182 calendar days)	1008 worked hours (Approx. 176 calendar days)
Vacation Scheduling	Ability to schedule vacation in alternating years in peak periods, after 2 years worked (5795 only)	All vacations scheduled by seniority	All vacations scheduled by seniority	All vacations scheduled by seniority
Lay Off (LO) & Recall (RE)	48 hour minimum LO & RE notice if less than 2 years seniority, 14 days if more than 2 years seniority (5795 only) Maintain recall for 6 years	7 day minimum notice, up to 56 days' notice for more than 10 years seniority Maintain Recall as follows: <6 months seniority = 1 year 6-12 mths seniority = 2 years 1-2 yrs seniority = 3 years >3 yrs seniority = 5 years	No specified timeline for layoff and recall notice Maintain recall for 3 years	7 days minimum notice for LO if period of LO is known to be less than 6 months. Maintain recall for an equivalent period to seniority up to a maximum of 3 years

Health Coverage**IOC Specific**

In addition to the regular group insurance program which provides Life Insurance, short & long term disability coverage, medical & dental plans, IOC has implemented an Emergency Health Fund for the 3 Union locals as below:

- 5795 & 6731 Combined fund of \$1,750,000 with the provision to add a further \$500,000 if required
- 9344 A fund of \$400,000 with the provision to add a further \$100,000 if required

The Emergency Health Fund will ensure continued coverage for employees and dependents and a commitment was made to explore alternatives for this type of coverage

Northern Benefits

	IOC	Arcelor (Mount Wright)	VBNC (Voisey's Bay)	Champion Resources (Bloom Lake)
Hydro Subsidy	Yes (approx.\$1200/home in 2017)	No	No	No
Air Transportation Benefit	1450/person	1700/person	2000/employee	1700/person
Mortgage Subsidy	Yes	No	No	No
Northern Allowance	4500/yr	6600/yr	3500/yr	5400/yr

Average IOC Hourly Employee 2006 T4 Earnings = \$86,500

Average IOC Hourly Employee 2012 T4 Earnings = \$113,900

Average IOC Hourly Employee 2017 T4 Earnings = \$128,200

Estimated Average IOC Hourly Employee 2022 T4 Earnings = \$142,400

The above is not intended to represent all terms and conditions of the noted collective agreements. It is representative of the majority of financial aspects of those contracts.

It is important for IOC to present a competitive agreement. We also should ensure that we evolve to be competitive in the future.

We encourage employees to continue discussing with the Union Executive to better understand the merits of IOC's latest offer and to find solutions.