

COLLECTIVE AGREEMENT

BY AND BETWEEN:CAE MACHINERY LTD.

(hereinafter referred to as the "Company")

**AND:INTERNATIONAL ASSOCIATION OF MACHINISTS AND
AEROSPACE WORKERS, VANCOUVER LODGE NO. 692**

(hereinafter referred to as the "Union")

DATE AND REFERENCE

This Agreement is dated for reference April 1st, 1998, and named for reference the "CAE MACHINERY LTD. MACHINISTS LODGE NO. 692 - MASTER AGREEMENT".

WITNESSETH: That in consideration of the mutual covenants and agreements herein set forth, the Parties hereto, and the affected employees are mutually agreed as follows:

GENERAL PURPOSE:

The purpose of this Agreement is to maintain a harmonious relationship between the Company and its employees; to provide an amicable and equitable method of settling grievances or differences which might possibly arise; to maintain mutually satisfactory working conditions, hours and wages for all employees who are subject to the provisions of this Agreement, and generally to promote the mutual interests of the Company and its employees.

Therefore, the Union accepts responsibility to bind its International and District Officers and Local Representatives to the observance of each and all of the provisions and conditions of this Agreement.

Wherever the masculine is used in this Agreement, it shall be construed as if the feminine had been used where the context so requires and the rest of the sentence shall be construed as if the grammatical and terminological changes hereby rendered necessary have been made.

ARTICLE 1 - BARGAINING AGENCY

1.01 - The Company recognizes the Union as the sole bargaining agency for its employees, as duly Certified under the Industrial Relations Act of British Columbia, for the purpose of collective bargaining with respect to rates of pay, hours of employment, and all other working conditions.

1.02 - The Representatives of the Union may have access to the Company's shops or yards by applying for permission through the office, provided that workmen are not caused to neglect their work.

1.03 - The Company agrees that as a condition of continued employment, all employees who are or may be covered by the Certificate of Bargaining Authority issued to the Union by the Industrial Relations Council of British Columbia must become Members of the Union within thirty (30) calendar days of commencing employment and remain Members during the life of this Agreement.

1.04 - All present and new full-time employees of the Company who are or may be covered by the Certificate of Bargaining Authority issued to the Union by the Industrial Relations Council of British Columbia shall pay to the Union, as a condition of employment, and not later than thirty (30) calendar days after the commencement of his employment, dues, initiation and reinstatement fees by payroll deduction, as may from time to time be established by the Union for its Members, in accordance with its Constitution and/or By-Laws.

1.05 - Notwithstanding the provisions of Article 1.04 preceding, the Company shall deduct from each new employee an amount equal to the Union dues from the employee's first payroll cheque after completion of five (5) days of work in a calendar month and add that employee's name and the said amount to the closest applicable check-off; i.e., if the check-off for that month has not been remitted to that check-off; if the month's check-off has been remitted, it shall be added to the following month's check-off, and shown as the previous month worked.

1.06 - All deductions as required under Article 1.04 and 1.05 shall be made in each calendar month the employee is employed by the Company.

The monies so deducted shall be forwarded by the Company to the Secretary of the Union not later than the 15th day of the following month, accompanied by a statement listing the names of the employees and their Social Insurance Number, for whom deductions were made and the amount of each deduction.

All other remittances required for medical coverage, Weekly Indemnity, Dental and Pension, or any other coverage required under this Collective Agreement, shall be remitted to the appropriate carrier not later than the 15th of the month following the month in which the coverage is required.

1.07 - The term "employee" as used in and for the purpose of this Agreement shall include all persons employed in the Company's operations and as covered by the Industrial Relations Council Certification & without restricting the generality of the foregoing shall not include foremen & those having authority to hire or discharge employees, office workers, supervisory officials, salesmen, and watchmen. Supervisor will not do work normally done by bargaining unit employees.

1.08 HUMAN RIGHTS The Parties agree there shall be no discrimination, interference, restriction, coercion, harassment, intimidation, or any disciplinary action exercised or practised with respect to an employee by reason of age, race, creed, colour, national origin, religious affiliation, sex, sexual orientation, family status, mental or physical disability or membership or activity in the union. The Company and the Union also recognize the right of employees to work in an environment free from sexual harassment and agree that sexual harassment will not be tolerated in the work place. Should any dispute arise regarding any of the foregoing, the employee shall be entitled to recourse through the grievance procedure in this Agreement.

- a) Any level in the grievance procedure shall be waived if a person hearing the grievance is the subject of the complaint.
- b) If by reason of 1.08 (a) a level in the grievance procedure is waived, no other level shall be waived except by mutual agreement.

ARTICLE 2 - MANAGEMENT

2.01 - The management and operation of the plants and the direction of the working forces are vested exclusively in the Company.

2.02 - The Company has and shall retain the right to select its employees, to hire, discharge, classify, transfer, promote, demote or discipline them; subject to the Grievance and Seniority procedures enumerated in Articles 5, 6 and 7 of this Agreement.

2.03 - The right to hire employees is vested in the Company. In the case of new vacancies, the Union will be notified in advance and will have the opportunity to provide the Company with suitable applicants.

ARTICLE 3 - HOURS OF WORK AND OVERTIME

3.01 - The starting and stopping time on standard shifts, as well as the meal period shall be mutually arranged by the Company and the Union, it being understood that the meal period shall not be less than thirty (30) minutes.

3.02 - The standard work day shall consist of eight (8) hours and the standard work week shall consist of forty (40) hours on the first shift, worked between the hours of 7:30 A.M. to 4:00 P.M.

3.03 - If a second shift is employed, the hours of work shall be seven and one-half (7 1/2) hours per shift, for which eight and one quarter (8 1/4) hours will be paid.

3.04 - If a third shift is employed, the hours of work shall be seven (7) hours per shift for which eight and one quarter (8 1/4) hours will be paid.

3.05 - Five (5) shifts, Monday to Friday inclusive or the accepted variations there from shall constitute a regular week's work on all shifts.

3.06 - All hours worked outside the standard hours & outside the established shift hours shall be considered overtime and shall be paid for at the appropriate overtime rates.

(a)All overtime shall be paid for at double time rates.

- (b) Double time for all work performed on Sundays and on Saturdays in the same week in which the Monday to Friday shift is worked, or on Mondays of the same week in which the Tuesday to Saturday shift is worked.
- (c) Double time for all work performed on Statutory Holidays as enumerated in Article 9 of this Agreement.
- (d) Overtime work shall be distributed equally among willing employees who normally perform the work.

NOTE: If an employee works on a Statutory Holiday as provided for in Article 9.01, he will be paid double rate for the time worked on the Statutory Holiday, and in addition, if he qualifies, he will be paid eight (8) hours at his regular straight-time rate for the Statutory Holiday as provided for in Article 9.01.

3.07 - Employees called in before the regular starting time shall be paid at double time rates for time worked prior to their regular starting time.

3.08 - **CALL TIME** All employees called in to work after normal shift hours during the week shall be guaranteed three (3) hours' pay at double time rates. Employees called in to work Saturdays, Sundays and Statutory Holidays shall be guaranteed four (4) hours' pay at double time rates, plus any Statutory Holiday Pay that is applicable.

NOTE: Hours worked in excess of the above guarantee shall be paid for at double time rates.

3.09 - **WORK DURING LUNCH PERIOD** If an employee is required to work during his regular lunch break period, he will receive pay at the rate of double time in the event that he is not allowed within one-half hour his full lunch period to consume his meal.

3.10 - **OVERTIME MEALS** Employees who are requested to work unplanned overtime of more than two (2) hours after completion of their assigned shift will be provided ten dollars (\$10.00) for a meal to be eaten on Company time which shall count as time worked. The preceding conditions shall apply every four (4) hours of work thereafter. The minimum time for eating a meal shall be one-half (1/2) hour.

3.11 - **SHIFT BREAK** It is intended that every employee shall have a full shift break between shifts. In the event that an employee is recalled to work before such shift break has elapsed, he shall be considered as still working on his previous shift and shall be paid the appropriate overtime rates for work performed after recall. No employee shall be permitted to resume work of his own accord until a full shift break has elapsed.

Clarification Employees working after midnight reporting for work next shift after an eight (8) hour break will not lose the time taken from the shift to make up the eight (8) hour break.

3.12

- (a) Subject to the exceptions set forth in this Section, any employee reporting for work on his regular shift shall receive a minimum of four (4) hours' pay at his regular wage rate.
- (b) Any employee completing the first half of his regular shift, and who commences work on the second half of his regular shift, shall receive a minimum of eight (8) hours' pay at his regular wage rate.

PROVIDED THAT if four or eight hours (a) or (b) above is not available at his regular job, the employee shall perform such temporary work as may be assigned to him to qualify for such pay.

The provisions of this Section shall not apply in the event of an emergency such as fire, flood, power failure, etc., beyond the control of the Company, or if:

- A. He voluntarily quits or lays off; or is discharged for cause,
- B. He was previously instructed not to report,

and in any such event or circumstance he shall be paid for the actual time worked at regular wage rate.

3.13 - In order to bring about a stabilization of employment and to provide employees with a greater degree of job security, the Company agrees whenever feasible to eliminate overtime.

3.14 - ADDITIONAL SHIFTS If an employee is required to change shift more than once in a calendar week he will be paid at double rate for the balance of the week, unless the second change is to return to his original shift.

3.15 - NOTICE OF SHIFT CHANGE The Company will give employees forty-eight (48) hours' notice of shift change except where time will not permit. Example: Company or customer break-downs and repairs, absences requiring the moving of employees to man a shift.

3.15(a) - SHIFT PREFERENCE Where multiple shifts are required on a common work centre, choice of shift will be given to the senior employee. A senior employee having chosen a shift change must remain on said shift for a minimum period of 2 weeks.

Shift preference will not preclude or negate Management Rights clause under Article 2 of this Agreement.

3.16 - TUESDAY TO SATURDAY WORK WEEK For those plants with equipment requirements for a maintenance crew on a Tuesday to Saturday basis, the following shall apply:

- (a) Five (5) consecutive eight-hour day shifts Tuesday to Saturday inclusive shall constitute the regular work week of this shift.
- (b) Sundays and Mondays shall be regular consecutive days off for this shift and any work performed on these days off shall be paid at the overtime rates and conditions as provided for in this Collective Agreement.
- (c) Maintenance employees on Tuesday to Saturday shift, shall not perform on production processes on Saturday.
- (d) The numbers of maintenance crew employed on Tuesday to Saturday work week shall be limited to meet the maintenance of equipment requirements of each Company.
- (e) Employees working the Tuesday to Saturday shift will be paid five per cent (5%) per hour over their regular classification rate for each hour worked on this shift.

3.17 - WASH-UP AND TOOL STOWAGE Employees shall be allowed five (5) minutes for personal clean-up and stowage of tools prior to the end of each shift.

3.18 – BANKING OF OVERTIME

ARTICLE 4 - WORKING CONDITIONS

4.01 - Employees shall take orders from only their respective foreman, or from the general management when foremen are not immediately available.

4.02 - Employees shall observe the rules of the Company and shall perform a fair day's work in the category in which the employee is engaged and shall be subject to discipline by the Management for failure to do so.

4.03 - Employees will not absent themselves from work nor leave the plant during their working hours without advising management. Failure to do so shall be cause for discipline.

4.04 - CNC MACHINING CENTRES:

It is intended that a Journeyman will operate two machines when both machines are in production and cycle times make it practical to do so. While the Journeyman is involved in change over, set-up and program development, a second man will run the other machine.

If, in the opinion of the Journeyman and the supervisor, it is impractical to run two machines with one man, then a second man will operate the other machine.

ARTICLE 5 - GRIEVANCES AND COMPLAINTS

5.01 - An honest effort to settle all grievances without stoppage of work shall be made in the following manner:

- (a) By the aggrieved party with the Shop Steward and the Foreman.
- (b) Failing settlement within five (5) days, the employee and/or his representative shall endeavour to settle the matter with the Department Head.
- (c) Should no satisfactory settlement be reached within seven (7) days, the employee's representative will discuss the grievance with the Management.
- (d) When grievances cannot be finally adjusted by the Company and the Union representatives, the matter shall be submitted, within seven (7) days, to an Arbitration Board of three persons appointed as hereafter provided.
- (e) The above mentioned time limits may be extended by mutual agreement in writing. Saturdays, Sundays and Statutory Holidays will not be included in the above time limits.

NOTE: All grievances and complaints not settled by the foreman shall be reduced to writing by the employee(s) and filed with the Company through the Shop Steward or Shop Committee within ten (10) days of occurrence. Any grievance or complaint not so filed shall be deemed to have been waived and shall not be entitled to consideration.

5.02 - JOINT ADVISORY COMMITTEE A Joint Advisory Committee will be formed consisting of equal Employer representatives and Business representatives of the Union who shall meet as required by the Parties. Such Committee shall have the obligation to advance the objectives of each Agreement as stipulated in the General Purpose Provisions.

ARTICLE 6 - ARBITRATION

6.01 - The party desiring arbitration shall appoint a member for the Board and shall notify the other party in writing of the name and address of the person so appointed and particulars of the matter in dispute.

6.02 - The party receiving the notice shall within five (5) days thereafter appoint a member for the Board and notify the other party of its appointment.

6.03 - The two arbitrators so appointed shall confer to select a third person to be chairman and failing for three days from the appointment of the second of them to agree upon a person willing to act, either of them may apply to the Honourable, the Minister of Labour, to appoint such third member.

The Arbitration Board shall sit, hear the Parties, settle the terms of the question to be arbitrated, and make its award within ten (10) days from the date of the appointment of the Chairman, provided the time may be extended by agreement of the parties.

If the Arbitration Board finds that an employee has been unjustly suspended, discharged, or laid-off, that employee shall be reinstated by the Company without loss of pay and with all his rights, benefits, and privileges which he would have enjoyed if the suspension, discharge or lay-off had not taken place,

PROVIDED THAT if it is shown to the Board that the employee has been in receipt of wages during the period between discharge, suspension or lay-off and reinstatement, the amount so received shall be deducted from wages payable by the employer pursuant to this Clause,

AND PROVIDED THAT the Arbitration Board shall have authority to order the Employer to pay less than the full amount of wages lost if, in the opinion of the Board, such lesser sum is fair and reasonable.

The Arbitration Board shall have the power to determine whether a particular issue is arbitrable under this Agreement.

If the award of the Arbitration Board is subsequently set aside by a court of competent jurisdiction, the question shall, at the request of either party, be submitted to another Arbitration Board appointed pursuant to and with all the powers provided by this Clause.

The expenses and remuneration of the Chairman shall be paid by the Parties in equal shares.

Without restricting the specific powers hereinbefore mentioned the Arbitration Board shall have all the general powers of an Arbitration Board.

ARTICLE 7 - SENIORITY

7.01 - Upon request the Company will, every six (6) months provide the Union and the Shop Steward with an up-to-date list of all employees covered by this Agreement showing the date when each commenced employment with the Company.

7.02 - When a new employee is hired, it is agreed that he shall be on probation for thirty (30) calendar days and during this period seniority will not be applicable. When the probationary period is completed, seniority will commence from the date of hiring, except as provided in the Apprenticeship Article of this Agreement. If requested by the Company, a thirty (30) day extension may be granted.

7.03 - An employee re-entering the employ of the Company within six (6) months after his right to recall has expired will not be subject to another probationary period.

7.04 - In the event of lay offs, seniority shall be recognized. The principle of last man on, first man off, shall prevail, subject to job classification, ability and efficiency.

The parties agree that the application of seniority in instances of lay offs will be based on the concept that seniority, subject to qualifications described in this Section, will govern, if the senior employee to be retained can perform the work.

Where lay offs or rehiring are not in strict accordance with the seniority list, the Shop Steward and Business Representative of the Union shall meet with the Company to discuss any dispute under the provisions of the Grievance Procedure prescribed under the Collective Agreement.

7.05 - SENIORITY RETENTION A **laid-off** employee shall maintain and accumulate his seniority and recall rights for three (3) months after which he will retain but not accumulate seniority for the following periods. The three-month accumulation will not bring an employee into a longer retention period.

Period of Seniority:

- less than 12 months- 6 months' retention
- over 12 and less than 48 months- 12 months' retention
- over 48 months- 24 months' retention

7.06 - When vacancies occur, the Company shall rehire laid-off employees according to their seniority, and the principle of last man off, first man on shall prevail, subject to their classification, ability and efficiency. The Company shall make personal contact with laid-off employees and confirm by Registered Mail. It is the employee's responsibility to keep the employer advised of his current address and telephone number.

7.07 - When a new job is available the company will place a notice of such vacancy on an appropriate notice board. Whenever possible the company will promote an employee to a better paying job seniority, qualifications and ability to be considered. However nothing in this article shall be construed as any guarantee of such job.

7.08 - When a member of the bargaining unit is transferred within the Company to a position outside the bargaining unit, he shall be maintain but not accumulate seniority for a period of two (2) years after which his seniority will be terminated.

7.09 - Seniority will be maintained and accumulated during absence due to:

- (a) A compensable accident.
- (b) Serving in the non-permanent Armed Forces of Canada.
- (c) Temporary illness or non-occupational accident not exceeding twenty-six (26) weeks.
- (d) Lay-off up to three (3) months (cumulative in a vacation year).

(This provides accumulation of seniority for vacation eligibility purposes.)

7.10 - Seniority will be maintained, but not accumulated during absence due to:

- (a) Temporary illness or non-occupational accident, exceeding twenty-six (26) weeks.
- (b) Authorized leave-of-absence in excess of one (1) week.
- (c) Lay-off in excess of three (3) months (cumulative in a vacation year).

7.11 - Seniority will be broken by:

- (a) Voluntary quitting of job.
- (b) Exceeding authorized leave-of-absence, unless for legitimate cause.
- (c) Failure to report back to work within three (3) days after notification to return to work unless failure proved to be unavoidable.

It being understood that the work recalled for is of three (3) weeks' duration.

- (d) Discharged and not reinstated under the terms of this Agreement.
- (e) Lay-off exceeding the employee's seniority retention period.

ARTICLE 8 - VACATIONS

8.01 - EMPLOYEES WILL RECEIVE VACATIONS AND BE PAID FOR THE VACATION IN ACCORDANCE WITH THE FOLLOWING SCHEDULE:

YEARS OF CONTINUOUS SERVICE VACATION PERIOD VACATION PAY

- Less than one year 1 day for each .4% major fraction of month worked (max. 10 working days)
- 1 year but less than 3 years 2 weeks 4 1/2% or 2 weeks*
- 3 years but less than 8 years 3 weeks 6 1/2% or 3 weeks*
- 8 years but less than 15 years 4 weeks 8 1/2% or 4 weeks*
- 15 years but less than 20 years 5 weeks 10 1/2% or 5 weeks*
- 20 years and over 6 weeks 12 1/2% or 6 weeks*

* pay at employee's current classified rate whichever is greater at the time the vacation is taken.

8.02 - VACATION ENTITLEMENT An employee working less than 1200 hours per vacation year (cut-off date to cut-off date) will be paid on a percentage of earnings basis.

8.03 - VACATION PAY - WHEN PAYABLE The amount of the vacation payment will relate directly to the portion of the vacation time entitlement which is being taken at that particular time.

8.04 - Two (2) weeks vacation will, as far as practicable, be granted during the period 15th June to 15th September to conform with the wish of the employee concerned and the convenience of the employer, having regard to the necessity of maintaining production.

8.05 - In the event of termination of service with the Company after he had his vacation he earned for the previous year, he shall receive four and one-half per cent, six and one-half per cent, eight and one-half per cent, ten and one-half per cent, or twelve and one-half per cent, when applicable as the case may be, for his pay for the year in which he ends his employment for which no vacation has been paid.

8.06 - An employee's scheduled vacation period shall not be changed by the Company within the one-month period immediately preceding the start of the vacation period without the consent of the employee concerned.

8.07 - When a conflict arises between employees with regard to available vacation time the Company, wherever practical, will recognize seniority.

8.08 - Each employee shall be required to take the full annual vacation period that he is entitled to under the provisions of this Agreement in the current year.

8.09 - The vacation allowance shall be drawn on the working day preceding the vacation providing the vacation has been scheduled one week in advance.

8.10 - Vacation eligibility is resolved on the principle that the employee receives all vacation and vacation pay earned.

8.11 - Vacation eligibility lists showing the current accumulated service of each employee shall be prepared prior to each vacation period, a copy of which shall be supplied to the Union.

8.12 - For the purpose of determining an employee's eligibility, the following will apply:

The service for purpose of determining vacations of each employee covered by this Agreement shall be established after a probation period of thirty (30) calendar days from the date of employment and shall be calculated from date of employment.

8.13 - The Company will pay vacation pay with a separate cheque and an itemized statement.

8.14 - When an employee reaches his qualifying anniversary date he will become entitled to one additional week of vacation with pay, in accordance with the current Collective Agreement.

At the next cut-off date (30th June), his vacation time and pay will be adjusted to the cut-off date.

ARTICLE 9 - STATUTORY HOLIDAYS

9.01 - All employees covered by this Agreement shall receive eight (8) hours' pay at their regular straight time rates for each of the following Statutory Holidays, in addition to any wages which they may be in receipt of as enumerated in Article 3.06, Subsection (c) of this Agreement.

1. New Year's Day
2. Good Friday
3. Easter Monday
4. Victoria Day
5. Canada Day
6. B.C. Day
7. Labour Day
8. Thanksgiving Day
9. Remembrance Day
10. Christmas Day
11. Boxing Day
12. Floating Statutory Holiday

and one (1) other Holiday if declared by the Federal or Provincial Government.

9.02 - The day observed or celebrated by the Nation or Province shall be considered the Holiday, with the provision that when Statutory Holidays fall on a Saturday or a Sunday, they will be celebrated on Monday, and when they fall on consecutive Saturday and Sunday or consecutive Sunday and Monday, they will be celebrated on the following Monday and Tuesday.

9.03 - FLOATING STATUTORY HOLIDAY

The 12th guaranteed Statutory Holiday with pay shall be granted to all employees who qualify with the provisions contained in Article 9 of this agreement.

This floating holiday is to cover those situations where a regular Statutory Holiday falls on a Thursday and/or a Tuesday, and the Monday and/or Friday would be a regular working day, or where the Provincial and/or Federal Government declare a Statutory Holiday in addition to the twelve Statutory Holidays listed in Article 9.01 above. This Holiday would then be celebrated on the Monday or Friday, as the case may be.

In any calendar year where the preceding situation does not exist, a mutually acceptable day will be chosen.

The selected day will be posted on the shop bulletin board and celebrated on a plant-wide basis.

9.04 – In order to qualify for eight (8) hours' pay for a Statutory Holiday as enumerated in Articles 9.01, 9.02 and 9.03, the employee must have:

- (a) Thirty (30) calendar days' employment with the Company.
- (b) Worked any part of the regularly scheduled work day prior to and the first regularly scheduled work day following the holiday. Exceptions to the foregoing shall be made in cases where the following conditions prevail:
 - (i) The employee has been off work due to industrial disease for a period not in excess of three (3) calendar months. The employee shall receive the difference between the W.C.B. payment and a regular day's wages.
 - (ii) The employee has been off work due to a bona fide illness for a period not in excess of three (3) calendar months. A doctor's note shall be submitted as proof. The employee shall receive the difference between the insurance payment and a regular day's wages.
 - (iii) The employee has been on temporary layoff for less than two (2) weeks or was terminated within two (2) weeks of any designated holiday.
 - (iv) Where leave-of-absence has been approved and the employee has worked some time during the two (2) calendar weeks preceding the week in which the holiday occurs.

ARTICLE 10 - WAGES

10.01 - Wages and Classifications shall be those agreed upon and set out in Appendixes attached hereto and forming part of this Agreement.

10.02 - COST OF LIVING ALLOWANCE A Cost of Living Allowance shall be provided on the following basis:

- (a) **Effective Date** A Cost of Living Allowance will become effective when the C.P.I. (Canada) figures for _____ are exceeded by seven percent (7%).
- (b) **Base Month** - _____ C.P.I. (Canada) - _____ Index published in _____

- (c) **Formula** - .3 movement in _____ C.P.I. (Canada) = .01 (1 cent) per hour
- (d) **Adjusted** - Monthly
- (e) **Definitions**

Effective Date The date the Cost of Living Allowance becomes payable.

Base Month The Consumer Price Index (Canada) for _____ will be used as the base month to calculate the increase in C.O.L.A. and amount to be paid after the increase specified in (a) above has taken place.

Formula is the negotiated relationship between movement in the _____ C.P.I. for Canada and cents per hour which results in the amount of the Cost of Living Allowance.

Adjusted means that the Cost of Living Allowance will be changed the first of the month following publication of the Consumer Price Index providing there is the required movement in the Index.

Roll In All amounts accruing under this provision shall be capped and rolled into the wage rates in effect on _____.

ARTICLE 11 - GENERAL PROVISIONS

11.01 - Any employee suffering injury while in the employ of the Company must report immediately to the First Aid Department, or as soon thereafter as possible, and also report to this Department upon returning to work. A copy of the employee's accident report will be supplied to the employee on request. If the injured employee is not able to work the balance of the shift, the Company will pay such employees normal daily earnings for the day of the injury.

11.02 - Free transportation to the nearest doctor or hospital and to the employee's home if required will be arranged by the Company.

11.03 - A buzzer or other device to summon a First Aid Attendant will be provided in companies where it is required to have First Aid Services.

11.04 - Any employee being discharged for disobeying the rules of the Company will only be paid up to the time of discharge. Company rules shall be posted in a conspicuous place within the Plant.

11.05 - No employee will be paid off until he produces a receipt for any Company-owned tools or equipment which have been issued to him.

11.06 - A Notice Board will be provided for the posting of all official Union notices exclusively, and not to be used for disseminating political propaganda. All notices shall be submitted to a Company official for approval before posting.

11.07 - TRAVEL TIME - LOWER MAINLAND

(a) When an employee is required to work at points outside the City of Vancouver he shall receive travelling time on the following basis:

Travel time during the employee's regular shift hours, Monday to Friday, inclusive, will be paid for at straight time.

Travel time authorized by the Company or the customer outside the employee's regular shift hours, Monday to Friday, will be paid for at time and one-half up to a maximum of eight (8) hours in any twenty-four hour period.

All travel time for Saturday and Sunday and any Holiday will be paid for at time and one-half to a maximum of eight (8) hours in any twenty-four hour period. The exception to this provision would be where first-class sleeping accommodation is provided. In this instance, time would cease at 9:00 P.M. and commence at 8:00 A.M. the next day.

He shall also be provided with fares, first-class accommodation, and board at no cost to the employee.

(b) Employees required to drive vehicles (including employee cars) will be paid double rate for all time spent driving these vehicles outside regular hours of work.

This provision shall not apply when an employee is travelling by a public carrier or to or from a public carrier. Public carriers shall be defined as follows: buses, taxis, aircraft, trains, boats and any vehicles licensed to transport passengers and operated by a licensed operator. Buses, aircraft or boats that may be chartered or purchased by the Company to transport passengers must be operated by an operator holding a current appropriate license to do so.

- (c) In going to work outside the City Limits of Vancouver and returning daily, men shall be at such limits at the starting time, and allowed to return to such city limits at the close of the work day. They shall be paid all fares to and from the city limits to place of work, or alternatively be supplied with transportation by the employer. It is understood that where employees reside in the city where the work is being done, that they shall report to and finish work at the regular starting and stopping time.
- (d) **Off-Premises Work** Employees engaged in overhaul and repair work performed off Company premises shall receive a premium five percent (5%) per hour over their regular wage rate for all hours worked off Company premises, except for work done on warranty and guarantee work within six (6) months of commencement of operation of the equipment. When exceptional circumstances exist, the Parties will discuss other arrangements.

However, where the above-referred-to work is ruled to be new construction, or where other construction unions affiliated with the Building Trades Council are involved, then the construction rates shall apply.

- (e) Employees who are assigned and/or engaged or hired for installation of machinery, in conjunction with the Building Trades, shall receive the going construction rate of wages for the duration of that job. In addition they shall receive travelling time, fares, first class accommodation and board, as enumerated in the current Construction Agreement.

11.09 - BEREAVEMENT PAY In the case of death in an employee's immediate family specifically, husband, wife, child, mother, father, step-mother, step-father, brother, sister, mother-in-law, father-in-law, grandparents or common-law spouse, spouse's grandparents, the Company will grant the employee two (2) days' leave-of-absence with his regular classification pay if he attends or arranges for the funeral or three (3) days if the funeral is held outside the Lower Mainland.

11.10 - JURY DUTY If an employee is called or selected for Jury Duty and/or called as a subpoenaed witness for the Crown, the Company shall make up the difference of the employee's regular pay and the amount received for such jury duty, and if called as a witness for the Crown, as described above, the employee shall receive his regular pay while absent from work. If an employee is called for jury duty but not selected he will return to work within a reasonable length of time.

11.11 - MOONLIGHTING The Company and the Union agree in principle to eliminate the practice commonly known as "moonlighting". The term "moonlighting" shall refer to an employee who regularly makes a practice of working for two or more employers and for the purpose of this Agreement, the term "moonlighting" shall also refer to employees who take employment of any sort during their annual vacation:

- (a) When this practice affects the Company's business or the employee's ability to perform his job, it shall be cause for reprimand or dismissal.
- (b) When this practice affects the Union, the Company agrees to cooperate with the Union in reprimand and/or dismissal.

11.12 - The employees employed in this plant will elect one Union Member from each shift and each separate shop who will be known as Shop Stewards or Shop Committee, and in no case shall this Committee be comprised of more than three (3) employees. The Union agrees to officially notify the Management in writing of the employees selected as Shop Stewards, and will also notify them promptly when there is any change in representation.

No Shop Steward, Committee or employee shall be discriminated against or jeopardized in seniority standing or suffer any loss of employment on account of membership or activity in the Union, provided that such activity is not allowed to interfere with the work and production of the Company.

11.13 - When the Company finds it necessary to lay off a Shop Steward, the Business Representative of the Union shall be notified prior to such layoff or discharge.

11.14 - The Company will supply suitable accommodation where employees may have their lunch.

11.15 - Wages will be paid on Company time. These will be delivered to the employees at their respective work stations in time for cashing in normal city banking hours of the pay week. Provided that there is 100% agreement in the shops the Company will move to paying wages by direct deposit.

11.16 - SANITARY FACILITIES Sanitary facilities shall be provided by the Company in accordance with the British Columbia Factories Act and the Regulations to the said Act. Employees will cooperate by observing the simple rules of cleanliness.

11.17 - WELDERS' GLOVES The Company will supply welders' gloves to those employees working in this classification, at no cost to the employee. Welders' gloves will be replaced on acceptable verification of loss or damage.

Safety Boot Allowance - On the first November paycheque each year the company will reimburse all employees an amount up to \$100 for W.C.B. approved safety footwear that was purchased in the previous 12-month period for personal work use. In order to claim reimbursement under this provision the employee must have worked 6 months in the period and provide a receipt as proof of payment.

The amount increases to \$110 on April 1, 1999 and to \$120 on April 1, 2000.

Coveralls - The company will pay 50% of the cost of providing and cleaning up to three (3) pairs of employee coveralls per week to a maximum of \$10.00 per month.

Safety Glasses - The Company will provide safety glasses for those who require them. Each employee required to wear prescription safety glasses shall be reimbursed by the Company for the cost of prescription safety glasses damaged during work up to a maximum of one-hundred (\$100.00) per year. To claim reimbursement, a receipt or other proof of purchase must be presented.

11.18 - COURSE TUITION AND TEST FEES The Company will pay tuition fees for courses, and test fees, for those courses and tests pertaining to the trade of the employees covered by this Collective Agreement. The employees shall make a request to the Company for the Company's approval before taking such courses or tests. Such approval shall not be unreasonably withheld.

If an employee is required to write First Aid exams during a regularly scheduled shift, he shall be given the required time off without loss of pay.

11.19 - COFFEE CONSUMPTION Coffee consumption will be allowed in each half shift, during working hours. Wherever practicable operations will continue.

11.20 - EMPLOYEES WORKING ALONE No employee covered by this Agreement shall be required to operate a machine while alone on any shift or any overtime work.

When machines are being operated, if physical obstructions or other interferences prohibit adequate communications between workers, other arrangements will be made.

11.21 - LEAVE-OF-ABSENCE Upon written request of an employee, the Company may grant a leave-of-absence without pay for justifiable reasons. Said leave-of-absence not to exceed three (3) calendar months. Any leave granted hereunder shall be in writing and a copy given to the Shop Steward. During the term of any leave-of-absence granted to an employee, the employee shall not perform work of any nature for wages, and performance of any such work may result in immediate termination of leave-of-absence and employment with the Company. This will not apply to leave-of-absence relating to Union business.

11.22 - LOSS OF TOOLS The Company will repair or replace employees' personal tools which have been listed by the employee, the list to be deposited with the Company, in cases where it can be verified that the tools were lost, damaged or stolen other than by employee negligence during, or in connection with the employee's employment duties.

11.23 - SPRAY PAINTING & SANDBLASTING Employees employed over two (2) hours per day at spray painting or sandblasting will be paid thirty cents (\$.30) per hour in addition to their regular classified rate.

11.24 - USE OF EMPLOYEE CARS Employee vehicles can be used on Company business only if authorized by the Company.

When an employee vehicle is used on Company business the employee will be reimbursed on the basis of forty-five cents (.45) per mile or twenty-eight cents (.28) per kilometre with a minimum of ten (10) miles or sixteen (16) kilometres payment.

It will not be a violation of this Agreement for an employee to refuse to use his motor vehicle on Company business.

Both Parties involved should confirm that adequate vehicle insurance is carried (to and from work for most situations or business coverage for extensive use) before using personal vehicles on Company business.

11.25 - METRIC TOOLS The Company will supply metric tools as required by the Company.

11.26 - FIRST AID ATTENDANTS

\$.95 per hour over occupational rate IFA Level II

The First Aid Certificate requirement of the Workers' Compensation Board for each individual Company will determine the premium that will be paid.

11.27 - DEFINITION OF SPOUSE - For the purposes of this collective agreement and attendant benefit plans, the terms "**spouse**", "**wife**" and/or "**husband**" shall mean a person to whom an employee is legally married or a person with whom the employee has lived in a husband and wife manner for a continuous period of at least one year. An employee may not claim to have both a spouse to who he/she is legally married and a spouse with who he is in a common-law relationship.

ARTICLE 12 - MEDICAL CARE PLAN

The Company shall pay 100% of the premiums of the Medical Services Plan of B.C. as provided by the Medical Services Act of British Columbia. All employees shall be covered by this Plan commencing with the first (1st) day of the month following the date of employment.

12.01 - EMPLOYEE ASSISTANCE PLAN

The company will provide strictly confidential employee counselling when requested.

ARTICLE 13 - INSURANCE AND DENTAL PLANS

13.01 International Association of Machinists and Aerospace Workers, Vancouver Lodge 692

Insurance Plan - The Company shall pay the full premium cost of the Machinists, Lodge 692 Insurance Plan to provide the following coverage for all employees. An employee will become eligible and shall be covered by the Plan on the 1st day of the month following commencement of employment.

Life Insurance \$40,000.00 April 1, 1995 - \$50,000 April 1, 1997
A.D. & D. Insurance \$40,000.00 April 1, 1995 - \$50,000 April 1, 1997
Weekly Indemnity \$ 450.00 (1-4-26)

Extended Health Benefits

13.02 - Vision Care Plan (M.S.A.)

Effective April 1, 1998, the company will provide Blue Cross Family Vision Care providing \$200.00 per person per (24) twenty-four month period.

13.03 - Long Term Disability

Effective April 1, 1995, the company agrees to pay fifty (50) percent of the premium, to a maximum of \$6.00 per employee per month, which will provide long term disability benefits of \$1,000.00 per month as provided by the Co-operators Life Insurance Company.

Dental Plan - LODGE #692 DENTAL PLAN as follows:

Coverage:

Basic Dental 100%

Prosthetic Appliances, Crowns 50% to a maximum of \$1500.00 annually
and Bridges per family member; combined A & B.

Contribution: The Company shall pay 100% of the premium cost of the Dental Plan.

Participation: A condition of employment.

ARTICLE 14 - BENEFIT COVERAGE WHILE OFF WORK

If a covered employee is off work due to injury or illness the Company will, for six (6) months, pay the premiums for the employee's Medical, E.H.B., Insurance and Dental Plans.

If the employee wishes to be covered for an additional three (3) months he may do so by paying 100% of the premium through the Company office.

When an employee is laid off and wishes to be covered for Medical and EHB benefits, he may do so by paying 100% of the premium through the Company office.

Employees laid off after the 15th day of the month will be covered for M.S.P. only for one additional month at Company's expense.

ARTICLE 15 - PENSION PLANS

15.01 - International Association of Machinists and Aerospace Workers, Vancouver Lodge 692

Contributions shall be paid by the Company to the MACHINISTS PENSION PLAN, LODGE 692 (formerly referred to as The Machinists Lodge 692 Pension Plan) for all employees of the Company covered by this Collective Agreement on the basis set forth below in this article.

All such employees newly hired shall commence to pay employee contributions to the said Plan immediately after the expiration of three (3) months' employment with the Company.

The Company will pay contributions as follows:

April 1, 1999 - \$1.40

April 1, 2000 - \$1.60

The employee contribution is forty-five cents (\$.45) for each hour earned effective April 1, 1995.

ARTICLE 16 - APPRENTICES

16.01 - Apprentices on completion of their probationary period of ninety (90) days, shall form part of this Bargaining Unit, and shall be required to become and remain members of the Union while covered under this Collective Agreement.

16.02 - Apprentices shall be entitled to all conditions of the Collective Agreement with the exception that:

- (a) Apprentices will be granted seniority on the basis of one-half the required Term of Apprenticeship.
- (b) Apprentice plant seniority for the purpose of vacations, Statutory Holidays, etc., shall be based on their date of hire.

16.03 - Apprentice wage rates shall be as set out in Appendix "B".

16.04 - When Apprentices attend authorized training classes in their trade during normal working hours, the Company will make up the difference between their regular rate of pay and Government subsidies the Apprentice may be in receipt of.

16.05 - Apprentices shall not be required to work alone in the field until the final year of Apprenticeship.

16.06 - Apprentices can be required to take orders from the Journeyman with whom they are working as well as the regular Company Supervisor.

16.07 - APPRENTICE RATIO The maximum number of Apprentices to Journeymen in the shop shall not exceed:

4 Journeymen - 1 Apprentice.

The above Apprentice ratio may be increased only on mutual agreement between the Parties to this Agreement and the Apprenticeship Branch of the Ministry of Labour of British Columbia.

16.08 - An Apprentice having served his required time at the trade, and having passed the necessary examinations, will automatically be classified as a Journeyman and paid rates and conditions as enumerated in this Agreement for the Journeyman Classification.

16.09 - During the term of this Agreement the Parties will meet at least every six (6) months to discuss and implement improvements to Apprenticeship training.

ARTICLE 17 - SAVINGS CLAUSES

17.01 - No provision of this Agreement shall be used to remove working conditions or reduce wages presently in force.

17.02 - ARTICLE HEADINGS CLAUSE The Article Headings of this Collective Agreement shall be used for the purpose of reference only, and shall not be used as an aid in the interpretation of this Agreement.

17.03 - The Company reserves the right to pay higher wages than the minimum provided herein. However, where off-schedule rates are applied it shall be at the discretion of the Company to maintain or cancel as circumstances warrant.

17.04 - It shall not be a violation of this Collective Agreement if Members of this Union respect and/or honour a legal picket line.

17.05 - Should any part hereof or any provisions herein contained be rendered or declared invalid by reason of any existing or subsequently-enacted legislation, or by any decree of a court of competent jurisdiction, such invalidation of such part or portion of this Agreement shall not invalidate the remaining portions hereof and such remaining portions shall continue in full force and effect.

17.06 - **WORK RETENTION AND SUB-CONTRACTING** Where the Company's facilities, space and trained personnel are available, the Company shall endeavour to continue to have all work which is presently performed by employees of the Bargaining Unit, retained and performed by employees of the Bargaining Unit.

Where work must be performed by others, the Company shall endeavour wherever possible to have its sub-contract work performed by a union shop.

17.07 - **SAFETY COMMITTEE** It is mutually agreed that a Safety Committee consisting of employees selected by the Union will meet with a management representative or representatives not less frequently than once a month. Minutes of such meetings will be posted on the Notice Board, and a copy sent to the Union and the Compensation Board.

ARTICLE 18 - TECHNOLOGICAL CHANGE

In the event the Company proposes the introduction of new equipment in its' operation requiring specialized training, the Company shall notify the Union in writing one (1) month in advance and post such notice on the Bulletin Board.

The Company shall give employees, at the time of installation, in order of seniority in the affected classification the opportunity to operate and/or train to operate the equipment provided such employees have the basic qualifications and ability to fill the position.

In the event of termination of seniority as a result of technological change, the affected employee shall be eligible for severance pay of one (1) week's pay for each year of continuous service, to a maximum of ten (10) weeks' pay. Severance pay shall not be applicable under this Article when an employee resigns, retires, is discharged for cause, or is laid off for lack of work. Employees receiving any severance payment prior to the expiry of their right to recall period shall forfeit seniority rights under this Agreement.

Where technological change results in displacement of a significant number of employees from employment with the Company. The company will cooperate with Canada Manpower training facilities to train such employees, if there are job openings with the Company, and such employees have the necessary potential to fill the positions.

ARTICLE 19 - SEVERANCE PAY FOR PERMANENT PLANT CLOSURE

- (a) Employees on the seniority list, who have two (2) or more years of service with the Company, who are terminated because of plant closure, relocation, or restructure, shall be entitled to severance pay of one (1) weeks' pay for each completed year of service thereafter in increments of completed months of service to a maximum of twelve (12) weeks pay.
- (b) An employee receiving severance pay before the end of his right to recall period, shall forfeit all seniority rights accruing to him under this Agreement.
- (c) This Article does not apply when an employee retires, resigns, or is discharged for cause.

ARTICLE 20 - DURATION OF AGREEMENT

20.01 - This Agreement shall be in full force and effect from and including April 1st, 1998, to and including March 31, 2001, subject to the right of either Party to this Collective Agreement, within four (4) months immediately preceding the date March 31st, 2001 or immediately preceding the anniversary date in any year thereafter, by written notice to the other Party, require the other Party to commence collective bargaining with a view to the conclusion of a renewal or revision of the Collective Agreement or a new Collective Agreement.

Should either Party give written notice to the other Party pursuant hereto, this Agreement shall thereafter continue in full force and effect until the Union shall give notice of strike, or the Company shall give notice of lockout and such strike or lockout takes place and/or either Party gives notice of termination, or the Parties shall conclude a renewal or revision of the Collective Agreement or a new Collective Agreement.

20.02 - During the life of this Agreement, or while negotiations for a further Agreement are in progress, there shall be no strikes or stoppage of work on the part of the Members of the Union, or any lockout of employees on the part of the Company.

20.03 - By agreement of the Parties hereto, the provisions of Section 66 (2) of the Industrial Relations Act of British Columbia are specifically excluded.

DATED AT, _____ B.C., this _____ day of _____, 1998.

**INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE WORKERS,
VANCOUVER LODGE NO. 692**

CAE MACHINERY LTD.

President

Operations Manager

Production Manager

