

COLLECTIVE AGREEMENT

Term of Agreement:

June 1, 1999 – May 31, 2004

BETWEEN

TEXADA QUARRYING LTD.

AND

**UNITED STEELWORKERS OF AMERICA
(On Behalf of Local Union 816)**

<u>ARTICLE</u>		<u>PAGE</u>
1	BARGAINING AGENCY AND RECOGNITION	3
2	DEFINITION OF AN EMPLOYEE	5
3	MANAGEMENT RIGHTS	5
4	UNION SECURITY	5
5	HOURS OF WORK	6
6	PLANT HOLIDAYS	8
7	VACATIONS	8
8	SENIORITY	10
9	SAFETY & HEALTH	12
10	GENERAL PROVISIONS	13
11	GRIEVANCE PROCEDURE	15
12	ARBITRATION	17
13	INSURANCE & MEDICAL PLAN	18
14	LEAVES OF ABSENCE	20
15	WAGES	20
16	JOB POSTING	21
17	APPRENTICESHIP	22
18	DISCRIMINATION AND HARASSMENT	22
19	TECHNOLOGICAL CHANGE	23
20	PENSION	25
21	DURATION OF AGREEMENT	25

APPENDIX A: WAGE & CLASSIFICATION SCHEDULE

LETTER OF UNDERSTANDING #1 - Weekend Overtime Work
LETTER OF UNDERSTANDING #2 - Job Classifications
LETTER OF UNDERSTANDING #3 - Grievances and Arbitrations

COLLECTIVE AGREEMENT

BETWEEN: TEXADA QUARRYING LTD.
(Hereinafter referred to as the "Company")

AND: UNITED STEELWORKERS OF AMERICA (On Behalf of Local Union 816)
(Hereinafter referred to as the "Union")

WITNESSETH: The general purpose of this Agreement is to secure for the Company and its employees the benefits of orderly and legal collective bargaining, and to ensure to the fullest extent possible the safety and physical welfare of the employees, economy of operation and quantity of production. It shall be the duty of the Company and the Union to cooperate fully, honestly and sincerely for the purpose of bringing about a better understanding and good relationship by which both parties will be benefited.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein set forth, the parties hereto mutually agree as follows:

ARTICLE 1 - BARGAINING AGENCY AND RECOGNITION

- 1.01** The Company recognizes the Union is the sole collective bargaining agency of the employees of the Company for the period of the duration of this Agreement at Van Anda, where a majority of them have selected the Union as their bargaining agent and so certified by the order of the Labour Relations Board of the Province of British Columbia made on the 21st day of July, 1947.
- 1.02 (a)** The Company shall not permit anyone excluded from membership in the bargaining unit to do the work usually performed by a member of the Union, except to instruct, inspect, or in cases of emergency which involve or will possibly involve injury, loss of life or damage to machinery, property or material.
- (b)** In the event the Company violates Article 1.02 (a), the Company shall pay as a penalty an amount equal to the hourly rate of the employee who would normally have performed such work for the period of the violation (minimum one (1) hour) in addition to a one hundred dollar (\$100.00) penalty paid to the local union.
- 1.03 (a)** The Company recognizes the Union's concern over the use of contractors to do the work that the bargaining unit employees normally perform and, as such, agrees to continue its practice to perform operations and maintenance work with its own employees provided it has the manpower, skills and

facilities to do so.

- 1.03 (b)** The Company hereby assures the Union that it will continue its general operating policy of placing primary reliance on its own employees to perform operations and maintenance work. To this end, the Company agrees that operations and maintenance work currently performed by Texada Quarrying Ltd. employees will continue to be performed by members of the bargaining unit.
- (c)** Fourteen (14) days prior, or as soon as reasonably possible, to any planned sub-contracting, the Company will notify the Union of the name of the sub-contractor, the nature of the work to be performed, the approximate number of sub-contractor's employees, and the expected duration of the work.
- (d)** Within thirty (30) days of the execution of this Collective Agreement, the Company and Union will establish a Joint Contracting Out Committee to review contracting out practices. The joint committee will be composed of two (2) representatives of the Union and two (2) representatives of the Company. The terms of reference of the committee shall be:
- (i)** to review contracted work with a view to what other options may have been possible and practicable, and the objective of replacing contractors with Texada Quarrying Ltd. bargaining unit employees doing work in-house.
 - (ii)** to preview work expected to be contracted out and explore possible alternatives, taking into consideration the efficiency of the operations, equipment, skills and manpower.
 - (iii)** to make recommendations to the parties respecting contracting out.
- (e)** No employee shall be displaced, laid off or have their right to recall deferred as a result of contracting out, or as a result of a contractor's employee(s) performing any work.
- Warranty work is not contracting out; but when warranty work is being conducted on site, a maintenance employee will work with the person doing the warranty work for instructional and training purposes.
- 1.04** The Company will pay one hundred dollars (\$100.00) to the Local Union for any month during which a contractor performs work for the Company on the property.

ARTICLE 2 - DEFINITION OF EMPLOYEE

2.01 The term "employee" as used in the Agreement shall include all employees of the Company located on Van Anda, exclusive of administrative, supervisory, confidential, technical, executive and clerical employees. The term "supervisory" as applied to employees as herein designated includes (without restricting the generality of the expression) foremen and any employees of the Company who have the authority to hire or discharge.

2.02 Wherever a masculine reference is used in this Agreement it shall be deemed to include the equivalent feminine reference and vice versa. Where applicable, wherever a singular reference is used in this Agreement it shall be deemed to include the equivalent plural reference and vice versa.

ARTICLE 3 - MANAGEMENT RIGHTS

3.01 The management of the plant and the direction of working forces and the affairs of the Company, including the right to hire, demote, suspend or discharge for cause, and the right to reduce forces due to lack of work or curtailment of production, shall be vested exclusively in the management of the Company, provided that this will not be used for the purpose of discrimination against any member of the Union. Selection of supervisory employees as defined in Article 2, 2.01 is the exclusive prerogative of the Company.

3.02 The listing of specific management rights in this Article is not intended to be nor shall it be considered a restriction of, or a waiver of any of the rights of the Company not listed in this Article.

ARTICLE 4 - UNION SECURITY

4.01 (a) All new employees covered by this Agreement must join the Union within thirty(30) days of employment with the Company and must remain members of the Union in good standing. All present employees covered by this Agreement must remain members of the Union in good standing. The Union agrees to supply the Company with authorization forms which will require signature by all employees, both present and new, authorizing the Company to deduct and pay over to the Union Secretary all initiation fees, monthly dues, levied in accordance with the Union By-Laws, owing by them to the said Union.

(b) The Company shall remit all authorized deductions to the Union not less often than once each month, together with a written statement of the names of the employees for whom the deductions were made, and the amount of

each deduction. The Company shall be notified by letter signed by the President and Secretary of said Union, bearing the Union seal thereof, advising the Company the amount of initiation fees, dues, fines, or assessments to be deducted. The Company shall in like manner be notified of any changes in initiation fees, dues, fines or assessments levied in accordance with the Union By-Laws during the life of this Agreement.

4.02 Union members are to be supplied with Union deduction totals for income tax purposes. The Company agrees to show on employee "T4" slips the total Union deductions for the previous taxation year.

ARTICLE 5 - HOURS OF WORK

5.01 (a) The regular hours of labour shall consist of eight (8) hours within a consecutive eight (8) hour period in one (1) day, and forty (40) hours in one (1) week. The workday shall begin with the employee's first regularly scheduled hour of work.

(b) The standard work week is Monday through Friday, commencing Sunday at 11:00p.m. or Monday at 12:00a.m. When an employee's regular work week begins at 11:00p.m. Sunday it will not subject the Company to any premiums other than shift differential.

(c) The standard work week shifts for shift employees shall be eight (8) consecutive hours commencing at 12:00a.m., 8:00a.m. and 4:00p.m. for the production crew and 11:00p.m., 7:00a.m. and 3:00p.m. for shop and maintenance crew. These regular starting times may be changed by mutual agreement between the parties.

(d) The employees' one-half ($\frac{1}{2}$) hour lunch period will normally start upon the completion of four (4) hours work. But in no case will it be prior to three and one-half ($3\frac{1}{2}$) hours worked or after five (5) hours worked.

If employees do not get a lunch break within the time period referred to above the employee will be paid time and one-half ($1\frac{1}{2}$) for one-half hour ($\frac{1}{2}$) in addition to his eight hour day. Plus the employee will be entitled to a one-half hour lunch at a later time.

(e) There will be two (2) coffee breaks, one in the first half of the shift and one in the second half of the shift.

(f) An employee who has not been called off and reports for work and finds no work available will be paid two (2) hours at his applicable rate of pay (e.g. straight-time, overtime). An employee who commences work will be paid the greater of four (4) hours pay at his applicable rate, or pay for time worked.

5.02 Overtime pay at the rate of time and one-half ($1\frac{1}{2}$) shall be paid for any work over eight (8) hours, and double time over ten (10) hours in any regular shift.

Overtime pay at the rate of double time (2x) shall be paid for all time worked on Saturdays and Sundays. Double time (2x) rate will apply after Friday night midnight for production workers and after 11:00p.m. for shop and maintenance workers.

5.03 In addition to all other remuneration to which they are entitled, workers on the "afternoon shift" will be paid fifty cents (50¢) per hour for work performed on the "afternoon shift" and one dollar and forty cents (\$1.40) per hour for work performed on the "night shift".

5.04 When an employee is called out to work between regular shifts, he shall receive a minimum of two (2) hours' pay at double his regular straight time hourly rate. If an employee is notified in advance to report for work prior to his regular shift, or to remain beyond his regular shift, it shall not be considered a call-out.

Hours worked before and after an employee's regular scheduled shift shall be considered as overtime and overtime rates apply.

5.05 An employee's regular shift will not be changed to offset overtime hours worked on a daily or weekly basis.

5.06 Shift Change

Shift changes listing individuals will be posted three (3) calendar days in advance.

5.07 Employees who work more than two (2) hours overtime after the completion of their regular shift shall be provided with a hot meal or they will be paid one-half (½) hour at overtime rate.

5.08 Banking of Overtime

The employee has the option to receive overtime pay as specified in 5.02, or receive straight-time wages plus the equivalent time off. This time off must be taken in the contract year in which it is earned and at a time which is mutually agreeable between the Company and the employee. Unused, banked overtime hours will be paid out at the end of the contract year. The following examples will govern:

1. An employee who works ten hours on a week day has the option of:
 - a) 8 hours straight-time + 2 hours overtime pay
 - or
 - b) 8 hours straight-time + 3 hours banked time
2. An employee who works eight (8) hours on a Saturday or Sunday has the option of:

- a) 8 hours overtime pay
or
- b) 16 hours banked time

Each deposit into an employee's banked time account must be a minimum of two (2) hours banked time. The employee may accumulate and re-accumulate up to a maximum of forty (40) hours in his bank time account at any one time. The employee must have a minimum of two (2) hours banked time in his account, lesser amounts will be automatically paid out.

The written request to withdraw a banked day(s) is required to be given to the Company no later than the Wednesday of the week prior to the week in which it is to be used, unless the individual request is otherwise specifically agreed to by the Company.

The banked day off will be granted provided there is a competent replacement employee available on the shift. Days off will be awarded on a first come, first served basis. If two (2) employees from the same department/shift apply on the same day for the same day, seniority shall prevail.

ARTICLE 6 - PLANT HOLIDAYS

6.01 For the purpose of this Agreement the following statutory and declared holidays will be observed:

New Year's Day	Labour Day	Good Friday
Thanksgiving Day	Victoria Day	Remembrance Day
Canada Day	Christmas Day	Monday after Easter
Boxing Day	British Columbia Day	

One floating holiday - with sufficient notice and on a seniority basis.

6.02 The above holidays shall be paid for at straight time if not worked, and at triple time (3x) if worked. The Company agrees not to work on Statutory or declared holidays except by mutual agreement.

6.03 An employee will not be paid for any of the above non-work holidays unless the employee has actually worked some time during the thirty (30) day period immediately preceding or immediately following such holiday.

ARTICLE 7 - VACATIONS

7.01 (a) Employees having seniority of less than one (1) year shall be entitled to vacations as provided by the Annual Holidays Act.

- (b) Employees with one (1) year of seniority, but less than three (3) years' seniority, shall be entitled to an annual vacation of two (2) weeks with pay or four percent (4%) of their annual earnings, whichever is greater.
- (c) Employees with three (3) years of seniority, but less than eight (8) years of seniority, shall be entitled to an annual vacation of three (3) weeks with pay or six percent (6%) of their annual earnings, whichever is greater.
- (d) Employees with eight (8) years of seniority, but less than eighteen (18) years of seniority, shall be entitled to an annual vacation of four (4) weeks with pay or eight percent (8%) of their annual earnings, whichever is greater.
- (e) Employees with eighteen (18) years of seniority, but less than twenty-five (25) years of seniority, shall be entitled to an annual vacation of five (5) weeks with pay or ten per-cent (10%) of their annual earnings, whichever is greater.
- (f) Employees with twenty-five (25) years of seniority or more shall be entitled to an annual vacation of six (6) weeks with pay or twelve per cent (12%) of their annual earnings, whichever is greater.

7.02 An employee's anniversary date of employment shall be used to determine his years of continuous service for the purpose of vacation entitlement.

7.03 Vacations shall be scheduled, insofar as possible, in accordance with the wishes of employees. However, the final right to the allotment of vacation is exclusively reserved to the Company in order to ensure orderly operations and meet production requirements. When the times of vacation requests conflict, preference shall be given on a first come, first served basis. If requests are made on the same day, seniority shall prevail. Requests for single days of vacation must be made no later than Wednesday of the prior week, unless otherwise specifically agreed to by the Company.

7.04 (a) All earned, but untaken, vacation will be paid out effective the last day of the calendar year. Except that employees will be permitted to carry over five (5) days vacation to the following year provided they notify the Company in writing prior to it being paid out. Employees will not be permitted to carry over the five (5) days beyond the year following the year in which they were earned.

An employee who is planning a special extended vacation may carry over his vacation from one (1) calendar year to be taken before the end of the next calendar year. Employees are eligible for such special extended vacation once each five (5) years and must apply to the Company prior to the vacation being paid out.

- (b) In the event that an employee with more than one (1) year of seniority is terminated for any reason he, or his beneficiary in the case of death, shall receive all vacation pay due him. Such pro rata vacation shall be calculated

and paid on the basis of one-twelfth (1/12th) vacation credit for each one hundred and thirty-three (133) compensated hours, to a maximum of twelve twelfths (12/12ths), in the employee's current anniversary year, less the value of any paid vacation taken.

7.05

All vacations are earned on anniversary dates. Pay for pro rata vacation upon termination shall be the greater of:

2 weeks vacation eligibility:

4% of annual earnings or pro rata based on hours worked

3 weeks vacation eligibility:

6% of annual earnings or pro rata based on hours worked

4 weeks vacation eligibility:

8% of annual earnings or pro rata based on hours worked

5 weeks vacation eligibility:

10% of annual earnings or pro rata based on hours worked

6 weeks vacation eligibility:

12% of annual earnings or pro rata based on hours worked

Time lost because of accident or sickness will be counted as forty (40) hours per week up to a maximum of fifty-two (52) weeks for purposes of figuring a pro rata vacation benefit.

ARTICLE 8 - SENIORITY

8.01

Seniority Principle

(a) The parties recognize that job opportunity and seniority should increase in proportion to length of service. It is agreed that the term "seniority" as used herein, shall have reference to an employee's right to a job based upon his length of service with the Company and his ability to efficiently perform the job requirements.

(b) All promotions, transfers, filling of vacancies, layoffs, terminations, will be done in accordance with the principles set forth in 8.01 (a).

(c) Probationary Period

Newly hired employees shall be on probation for a period of thirty (30) days of actual work. During this period they may be discharged at the Company's discretion and they shall not have recourse to the Grievance Procedure. Upon successful completion of their probationary period they shall be regular employees with their seniority date established from their date of hire. Probationary employees shall not be entitled to safety boot allowance, jury

duty pay, and insurance and medical plans as provided for in this Agreement.

8.02 Seniority Will Be Maintained and Accumulated During:

- (a) occupational injury/illness
- (b) absence from employment while serving in the non-permanent armed forces of Canada
- (c) non-occupational illness/injury
- (d) jury duty, Union gatherings and collective bargaining negotiations
- (e) authorized leave of absence

8.03 An employee shall lose all seniority and shall cease to be an employee if he:

- (a) Voluntarily quits the employ of the Company.
- (b) He is justifiably discharged and not reinstated under the terms of this agreement.
- (c) Fails to return to work within fourteen (14) days after notice to return to work has been mailed by registered mail to his last recorded address with the Company.
- (d) Is an employee with six (6) years or less of service and is not recalled by the Company after layoff of six (6) consecutive months. Recall rights increase by one (1) month for each full year of service beyond six (6) years service up to a maximum of eighteen (18) consecutive months.

8.04 The Company shall not hire any new employees if there is an employee on the layoff who is qualified to perform the work available.

8.05 Recall Procedure:

Laid off employees with seniority will be given the first opportunity to be rehired. Employees will be notified of recall by telephone, telegraph, or other type of message, which will be confirmed by registered mail. An employee being recalled must return to work no longer than fourteen (14) days after mailing of the registered notice. A copy of the notice will be given to the Union. It is the responsibility of laid off employees to keep the Company informed of their current address and telephone number.

8.06 The Company recognizes the seniority rights of its employees and shall furnish the Union with a seniority list based upon the last date of employment of all employees. This seniority list will be recognized as the official seniority list under the terms of this Agreement. The Company will provide a revised seniority list on January 1st and July 1st of each calendar year.

- 8.07** Whenever a layoff is planned because of a change or reduction in plant production requirements, the Company will, not less than fourteen (14) calendar days prior to the effective date of the layoff, post a bulletin stating the expected extent of such layoff, and the expected effect on the work force. In the event the required notice is not given in accordance with the above, the Company will pay the laid off employee(s) the scheduled time lost at the applicable straight time rate. The foregoing does not apply to layoffs because of curtailment made necessary by disaster or emergency conditions affecting the ability of the Company to physically operate the plant.
- 8.08** Prior to any contemplated layoff or reduction in working force planned by the Company due to lack of work or other causes, the Company and the Union will meet to negotiate ways and means to prevent hardship and reduction in the living standards of our people.
- 8.09** In the event of a closure of the Texada Operations and the termination of all employees, the Company will pay each such terminated employee thirty (30) times their straight-time hourly rate for each full year of service up to a maximum of ten (10) years. For these purposes, closure is defined as when production and shipping have ceased for a period of at least twelve (12) consecutive months.
- 8.10** A bargaining unit employee who is transferred to a position outside the bargaining unit shall maintain and accumulate his seniority for ten (10) months following such transfer. During this ten (10) month period he may return to his former position in the bargaining unit with no loss of seniority. After the ten (10) month period he may only return to the bargaining unit by being hired as a new employee. The ten (10) months referred to in this paragraph is an accumulation of time for more than one transfer. Therefore, if an employee is put back in the bargaining unit and taken out of a supervisory position for a second or more occurrence, the total accumulation of time spent outside the bargaining unit cannot exceed a total of ten (10) months.

ARTICLE 9 - SAFETY & HEALTH

9.01 Safety and Health - Responsibility

- (a) The Company agrees that it is the responsibility of the Company to make adequate provision for the safety and health of the employees during the hours of their employment.
- (b) The Union and the employees agree to cooperate fully with the Company on all matters of health and safety.

9.02 Safety Committee

- (a) A permanent Safety Committee of seven (7) employees shall be appointed by the Union, not more than three (3) of which shall meet with the Company during the first (1st) week of each month, to inspect the plant and quarry. The safety meetings with Management shall be on the first (1st) work-day possible after inspection, allowing time for inspection report to be prepared. Official minutes shall be kept and copies furnished to the Safety Committee and Local Union. A copy of their report shall be filed with the Inspector of Mines.
- (b) With the permission of the Department of Mines District Inspector, two (2) employee representatives of the Joint Safety Committee shall accompany him during his inspections, along with an equivalent number of Company representatives.
- 9.03** Any employee suffering injury while in the employ of the Company shall report such injury promptly.
- 9.04** The Company and the Union recognize the employees' right to refuse unsafe work in accordance with the provisions of the Health, Safety and Reclamation Code for Mines in British Columbia effective September 1, 1999 and incorporate those provisions into this Agreement. The parties each commit to working in a joint manner to minimize such situations.
- 9.05** All accidents and dangerous occurrences shall be investigated by persons knowledgeable in the type of work involved and the co-chairmen of the Occupational Safety and Health Committee or their designates.
- 9.06** On January 1 of each year, each active employee will be paid one hundred seventy-five dollars (\$175.00) in a separate cheque to compensate for safety boots as required at work. The safety boot allowance will be increased to one hundred eighty-five dollars effective June 1, 2000; to two hundred dollars (\$200.00) effective June 1, 2001.
- In addition to the above, the mechanics, welders, field maintenance, maintenance men, 3500 driller and the blaster will be provided with an annual payment of one hundred dollars (\$100.00) each July.
- 9.07** Protective Clothing
- The Company agrees to supply and maintain in good order, slickers or oilers, hard hats, and personal safety equipment including plain and prescription safety glasses and frames, ear plugs, ear muffs, gloves, and welding gloves. Coveralls will be supplied and laundered as required for mechanics, welders, crusher operators, shop maintenance, field maintenance and drillers. Each Barge Loader will be provided with a floater jacket. Any employee measuring a barge will be supplied with a life jacket.

ARTICLE 10 - GENERAL PROVISIONS

10.01 Bulletin Boards

The Union will have the exclusive use of a bulletin board on the premises of the Company, and provided by the Company, for the purpose of posting official Union notices.

10.02 An employee, upon notification of the death of a member of his immediate family and upon so notifying local plant management, shall be granted his next three (3) scheduled working days off with pay.

Employees required to travel more than a radius of 500 miles will be granted four (4) days off with pay as a total bereavement leave.

"Immediate Family" will mean spouse, children, sister, brother, parents, grandparents, mother-in-law, father-in-law, brother-in-law, sister-in-law, grandchildren of the employee, step-children, step-mother, step-father and spouse's grandparents.

As used here, "brother-in-law" is defined to mean:

1. the brother of one's husband or wife,
2. the husband of one's sister,
3. the husband of the sister of one's spouse.

As used here, "sister-in-law" is defined to mean:

1. the sister of one's husband or wife,
2. the wife of one's brother,
3. the wife of the brother of one's spouse.

10.03 Any regular employee (as distinguished from a probationary employee) required to perform jury duty, coroner's inquest or subpoenaed as a crown witness on a day he is scheduled to work shall be excused from work on that day. The Company will pay the employee the difference between the amount received for such jury duty, or coroner's inquest, and eight (8) hours at his regular rate of pay, plus shift differential, if involved.

10.04 Union Appointees - Identification:

The Union will maintain with the Company a current list of the names of Shop Stewards, Committeemen and Staff Representative.

10.05 Picket Line:

Employees will not be disciplined for refusing to cross a legally constituted picket line.

10.06 Union Access to Plant:

Representatives of the Union will have access to the Company's premises by obtaining the permission of the Company's management. Such permission will not be unreasonably withheld.

10.07

First Aid:

Employees shall receive a premium of seventy cents (70¢) per hour in addition to their classified rate for holding a valid Industrial Level III First Aid Ticket.

Authorized work time lost renewing an Industrial First Aid Ticket will be compensated at the employee's regular straight time hourly rate. Employees will also be compensated at straight time for hours spent in excess of eight (8) hours per day up to a maximum of two (2) hours in a day, and not more than ten (10) hours per week.

10.08

Employee Injured at Work

An employee who gets injured at work and cannot continue working on that shift will be paid by the Company for the remainder of that shift for their regular straight-time hours, or at overtime rate if an employee gets hurt during overtime hours.

10.09

Strikes/Lockouts

There shall be no strikes or lockouts so long as this Agreement continues in full force and effect. Neither the Union, nor its representatives, nor its members shall cause, sanction, authorize or take part in any strike so long as this Agreement remains in full force and effect. Neither the Company, nor its representatives shall cause, sanction, authorize or take part in any lockout so long as this Agreement remains in full force and effect.

ARTICLE 11 -

GRIEVANCE PROCEDURE

11.01

The Union shall forthwith select three (3) of its members to be known as the Grievance Committee, and shall notify the Company accordingly. The Grievance Committee shall meet with the Manager or other designated officials of the Company whenever matters arise which, in its judgement, should be discussed between them. The management, on its part, may ask for a meeting with the Grievance Committee at any time. The Union shall forthwith select one (1) of its members in each department to be known as Shop Steward, and shall notify the Company accordingly.

When a grievance or difference arises, the employee or employees affected shall set down in writing a brief statement of the circumstances complained of, and shall hand such statement to the Shift Boss.

An earnest attempt shall be made to settle such differences immediately in the following manner, each ensuing stage to be followed only if settlement has not been achieved at the previous stage:

Grievance Procedure:

Stage 1. Between the aggrieved employee, the Shop Steward and the Shift Boss within five (5) working days of the occurrence. The Shift Boss shall have up to five (5) working days to reply.

Stage 2. Between the Shop Steward and the Superintendent within five (5) working days from the reply by the Shift Boss. The Superintendent shall have up to five (5) working days to reply.

Stage 3. Between the Grievance Committee and Manager, or other designated official of the Company within fourteen (14) working days from the Superintendent's reply. The Manager or other designated Company official shall have up to fourteen (14) working days to reply.

Stage 4. Where a difference between the Parties cannot be settled at the third (3rd) stage of the grievance procedure, then within thirty (30) days the matter shall be referred to an impartial arbitrator.

11.02 (a)

Warning-Suspension-Discharge:

Employees may only be warned, suspended or discharged for just cause. Suspension days will run as consecutive working days.

An employee being disciplined may request the presence of a Union Executive member or Shop Steward, provided that a Union Executive member or Shop Steward is readily available. If a Union Executive member or Shop Steward is not readily available, the employee shall have the opportunity to be accompanied by another employee of his choice who is readily available. The Union Executive member, Shop Steward, or other employee shall attend as a witness. In the event the employee declines a witness, he shall sign a statement to that effect, a copy of which will be given to the Union.

(b)

All warnings and suspensions will be deemed void when after two (2) years, from the date of issue, the employee has received no further discipline.

11.03

Time Limits - Failure to Act:

If either party fails to act within any of the time limits, or within an agreed upon extension, it will be deemed that the party failing to meet the time limit has abandoned its position and that the position of the other party has been established for that grievance.

11.04 Grievance Committee Members and Company Representatives:

At each of the three grievance steps the Company and the Union may have equal representation.

ARTICLE 12 - ARBITRATION

12.01 Where a difference arises between the parties relating to the interpretation, application, or administration of this Agreement, including any question as to whether a matter is arbitrable, or where an allegation is made that this Agreement has been violated, either of the parties may, after exhausting the grievance procedure established by this Agreement, notify the other party in writing of its desire to submit the difference or allegation for arbitration.

12.02 Any matter referred to arbitration, as provided in 12.01 shall be submitted to a mutually agreed upon arbitrator selected from amongst the following:

Don Munroe	Steven Kelleher	Allan Hope
Colin Taylor	Merv. Chertkow	Brian Foley

If the parties are unable to mutually agree upon the appointment of one of the foregoing arbitrators, either party may make application to the Chair of the Mediation Bureau to appoint another arbitrator.

12.03 The arbitrator shall hear and determine the difference or allegation and shall issue a decision and the decision is final and binding upon the parties and upon any employee affected by it.

12.04 The arbitrator shall have the right to enter any premises where work is being done or has been done by the employee or in which the employer carries on business or where anything is taking place or has taken place concerning any of the differences submitted to him and inspect and view any work material, machinery, appliance or article therein, and interrogate any person respecting any such thing or any of such differences.

12.05 If, during the life of this agreement, one of the arbitrators named in 12.02 hereof withdraws from the list, the parties shall appoint a replacement by mutual agreement in writing.

12.06 The Union and the Company shall each pay one-half (½) of the remuneration and expenses of the arbitrator.

12.07 A claim by an employee that he has been unjustly discharged, suspended or laid off may be settled by confirming the Company's decision in discharging, suspending, or laying off the employee, or by reinstating the employee with such compensation, either full or partial, as may be agreed upon by the conferring parties or determined by the arbitrator, as the case may be.

ARTICLE 13 - INSURANCE & MEDICAL PLAN

13.01 General Conditions

- (a) The Company will continue to provide the same, or equivalent, group insurance and health and welfare plans as are in effect at May 31, 1999. Coverage is subject to the terms and conditions of the plans as set out in the insurance policies and/or plan booklets. Copies of the plan booklets will be made available to employees and the Union. A copy of the policies of the plans will be made available to the Union upon its request.
- (b) Areas of benefit are as generally set out in this Article, the specific provisions of the appropriate policies and/or plans will prevail.
- (c) The Company will pay one hundred percent (100%) of the premium amounts required to continue these benefits as provided for in this Article.
- (d) Coverage shall continue for employees during lay-off until the end of the third (3rd) month following the month the employee was laid-off. Employees with one or more years of seniority shall receive coverage of benefits until the end of the sixth (6th) month following the month the employee was laid-off. Upon the expiration of said lay-off period, the employee must work a minimum of ten (10) days for reinstatement of the coverage provided by this provision. All coverage, with the exception of Weekly Indemnity, shall continue while employees are off as a result of an injury or illness whether work related or not.
- (e) Effective September 1, 2000 eligibility for coverage for these benefits commences the first day of the month following completion of the employee's first full calendar month of employment.

13.02 Medical Care

Basic medical care as provided by the Medical Services Plan of British Columbia.

13.03 Extended Health Benefits

An extended health benefit plan based on:

- (a) Eighty percent (80%) reimbursement of eligible expenses In Province and non-emergency eligible expenses Out of Province.
- (b) One hundred percent (100%) of eligible emergency expenses Out of Province and those expenses outlined in (a) foregoing that are in excess

of one thousand (\$1,000.00) in a calendar year.

- (c) A deductible of twenty-five dollars (\$25.00) each person or family, each calendar year. A portion of the deductible may be applied to the next year.
- (d) A maximum benefit of twenty-five thousand dollars (\$25,000.00) for a plan member or dependent, with potential reinstatement.

13.04 Weekly Indemnity

A weekly sick pay benefit for non-occupational illness/injury based on:

- (a) A benefit level equal to the greater of four hundred forty-seven dollars (\$447.00) per week or the maximum weekly disability benefit payable by Employment and Immigration Canada.
- (b) Benefits to commence the first day of injury or the third day of illness; benefits to continue for a maximum of fifty-two (52) weeks.
- (c) Definition of disability: employee is unable to continue his regular type of work.
- (d) Employee must apply for benefit within the established benefit period and upon request must supply, without cost to the Company, an appropriate certificate, from a duly qualified physician, stating the nature of the employee's disability and certifying the employee's inability to work because of said disability.

13.05 Life Insurance

Life Insurance and Accidental Death and/or Dismemberment coverage, each in the amount of \$30,000.00, effective September 1, 2000 this amount increases to \$50,000.00.

13.06 Dental Plan

Dental benefits as follows, reimbursement based on the current College of Dental Surgeons of British Columbia schedule of fee allowance:

	<u>Reimbursement</u>
Plan A - Basic Services	100%
Plan B - Prosthetic Appliances, Crowns, Bridges	50%
Plan C - Orthodontics	50%
Lifetime maximum \$2,000.00	

13.07 Vision Care Plan

Effective June 1, 2003 the Company shall provide a Vision Care Plan for all employees and their dependants. The Plan will provide for a payment of two hundred dollars (\$200.00) of claims every twenty-four (24) months. Employees will be permitted to purchase glasses or contacts, whichever they prefer.

ARTICLE 14 - LEAVES OF ABSENCE

14.01 Any employee selected as a delegate or representative of the Union, necessitating a leave of absence, shall be granted such leave of absence without pay upon making application to the Company. The time spent on such leave of absence for Union work shall not in any way jeopardize his seniority. The Company shall not be required to grant the privilege under this Article to more than two (2) persons at the same time.

14.02 Conferences may be held between the Company and bargaining or negotiating groups of the Union at such mutually convenient times as are consistent with minimum interference with the working schedule. During regular working hours employees who are members of such bargaining or negotiating groups will be allowed a reasonable length of time from their regular jobs at straight time payment to attend such conferences.

14.03 The Company agrees that the time spent by employees during their regular shift in the processing of grievances at the plant, shall be considered as time worked, and paid for at straight time. The time when grievances will be dealt with shall be mutually agreed to.

ARTICLE 15 - WAGES

15.01 Wage Schedule

(a) The job classifications and rates of pay listed in the attached Wage Schedule is agreed upon by both parties and is a part of this Collective Agreement.

The following general wage increases shall be effective and have been included in the wage rates shown in the attached Wage Schedule:

<u>Effective</u>	<u>Increase</u>
June 1, 1999	3%
June 1, 2000	3%
June 1, 2001	3%
June 1, 2002	2½%
June 1, 2003	2½%

In addition, effective upon the ratification of this Agreement, those employees

on the seniority list as at June 1, 2000 will be paid a one-time lump sum signing bonus of one thousand dollars (\$1,000.00).

- (b) The rates set forth in the attached Wage Schedule may not be used in any way for the purpose of reducing the wage rate(s) presently received by an employee(s).

15.02 New or Changed Job Classifications

- (a) If any new job classifications are established, or if there is a significant change in the job content of any job classification(s) set forth in this Wage Schedule, or if any job classification(s) have been overlooked in this Wage Schedule, the parties hereto are agreed to negotiate a rate of the job(s) in question. Any increase in rate as a result of such negotiations shall be retroactive.
- (b) If the parties are unable to reach agreement then the dispute will be settled through the Grievance and Arbitration procedures of this Agreement.

15.03 Daily Rate Retention

Employees will be allowed daily rate retention at the rate of the highest rated classification worked by them during each shift and such rate shall be used as the basis to calculate overtime.

ARTICLE 16 - JOB POSTING

16.01 All vacancies and newly created jobs will be posted within five (5) working days and shall be filled according to plant seniority and ability to perform the work. The posting will remain on all bulletin boards for five (5) working days in order to give an opportunity to any employee to make application in writing for such a job. The Company shall give seniority rights major consideration but the Company may, however, consider ability, experience and qualifications of any applicant to fill the requirements of the job.

It is understood that in cases of emergencies, vacancies and newly created jobs, such jobs shall temporarily be filled by the Company until such time as applications provided for above shall have been filed and acted upon.

The Company will post a notice on the bulletin board naming the successful job bidder within three (3) working days after the successful job bidder has been selected.

If, within a trial period of thirty (30) working days, the selected applicant proves unsatisfactory, such applicant shall be returned to his former occupation and if during the thirty (30) working days trial period the selected

applicant finds that he wishes to return to his former occupation, he shall be permitted to do so and all others changed by reason of such promotion shall be returned to their former occupations.

Any experience gained while filling a posted job in an emergency shall not count as experience for the purpose of determining the successful applicant. Variations from this procedure may be made in the interest of good operations, provided, however, that promotions made as variations from this procedure shall be temporary for a period of five (5) days.

16.02 A temporary replacement posting shall be posted for such leave of forty-five (45) days or more. If the temporary replacement posting is no longer needed the person(s) will return to his/her prior posting.

Temporary replacement postings will only be for replacing an employee who is on approved leave of absence, illness, injury or for replacing an employee acting in a temporary supervisory position. The postings will be subject to Article 8 of this Collective Agreement.

ARTICLE 17 - APPRENTICESHIP

17.01 When the Company determines the need to create a new apprenticeship position, such position will be posted in accordance with Article 16. The position will be awarded to the senior employee who passes the Apprenticeship Board examination.

Successful applicants will be paid the labour rate of pay. Upon completion of each annual examination, their wage rate will be increased in increments of 20% of the difference between the Labour rate and the Journeyman rate. Each applicant will be provided with a letter similar to the July 22, 1994 letter containing the above provisions.

ARTICLE 18: DISCRIMINATION AND HARASSMENT

18.01 Prohibition Against Personal Harassment

The Company and the Union recognize the right of all persons employed by the Company to work in an environment which is free of personal harassment; accordingly, the personal harassment of any person employed by the Company is prohibited.

It is understood and agreed that the definition of personal harassment as outlined herein shall not prohibit the Company from exercising its right to supervise and direct the workforce.

18.02 Definition of Personal Harassment

Personal harassment shall be defined as any discriminatory behaviour at the workplace which denies an individual their dignity or respect.

Discrimination behaviour shall be defined as any discrimination on the basis of race, colour, ancestry, place of origin, political belief, religion, marital status, family status, physical or mental disability where the disability does not render the employee incapable of fulfilling his employment duties and obligations, sex, sexual orientation, age, conviction of a criminal or summary conviction offense that is unrelated to the employment of the employee, or membership or activity in any trade union.

18.03 Obligations

- (a) The Company, the Union and the employees must at all times act appropriately to preserve and promote a work environment which is free from personal harassment.
- (b) The Company will undertake discipline or other appropriate action against any person employed by the Company who engages in personal harassment in violation of this Article. The Company may also undertake discipline or other appropriate action against any person employed by the Company who under this Article makes a claim of personal harassment which is determined to be frivolous, vexatious or vindictive in nature.

18.04 Procedure

- (a) In the event that any employee feels that they suffered any personal harassment, they may, in confidence, make an appointment with the Manager to present the complaint.
- (b) An employee, who alleges personal harassment has occurred in violation of this Article, shall have the right to initiate a grievance, through the Union, at Step 3 of the grievance procedure.
- (c) Any person employed by the Company, who is alleged to have committed an act of personal harassment in violation of this Article, shall be entitled to:
 - (i) be given notice of the substance of the complaint brought against him; and
 - (ii) be given notice of, and to attend and participate in, any hearing which is held with respect to an employee's grievance brought pursuant to paragraph (b) above.

ARTICLE 19 - TECHNOLOGICAL CHANGE

19.01 Where the Company intends to introduce new technological equipment into a
1999 – 2004 COLLECTIVE AGREEMENT: TEXADA QUARRYING LTD. and UNITED STEELWORKERS 23
OF AMERICA, LOCAL 816

job that shall result in the displacement of the employee from the job, the matter shall be discussed with the Union in advance to review the implementation process and discuss any other implications.

- (a) The Company and the Union agree that technological change is both necessary and desirable for the viability of the Company and the ongoing security of its employees.

Therefore, the Company undertakes to reduce the effects of technological change on the job security and earnings of employees who are laid-off or permanently demoted as a direct consequence of technological change. Any dispute regarding the implementation of technological change shall commence at Stage 3 of the grievance procedure.

- (b) For the purpose of this Agreement, a technological change shall be defined as the automation of equipment, or the mechanization or automation of duties which adversely affects employees in the bargaining unit through lay-off or demotion from their present job classifications.

In order to lessen the effects on employees who are adversely affected as a result of technological change, it is agreed that:

- (i) The Company shall notify the Union not less than sixty (60) days in advance of intent to institute technological change, setting forth the estimated number of employees affected, together with the nature and extent of the change anticipated.
- (ii) The Company will cooperate with the Provincial or Federal governments and participate when reasonably possible in the retraining of employees laid-off as a result of their job being eliminated by technological change. This may include unpaid educational leaves of absence for retraining, if required.
- (iii) An employee who is set back to a lower rated job as a result of technological change will continue to receive the rate of his regular job for a period of three (3) months. For a further period of three (3) months the employee will receive an adjusted rate which is midway between the rate of his regular job at the time of setback and the rate of his new regular job. At the end of this six (6) month period, the rate of his new regular job shall apply.
- (iv) Rates of pay for new jobs created by technological change shall be negotiated by the parties based on the relative worth of the new job as compared to the other jobs in the operation.
- (v) An employee whose job is eliminated by technological change may elect to accept severance pay and thereby terminate his employment. Such severance pay shall be calculated at one

week's pay for each year of service with the Company, to a maximum of twenty-six (26) weeks pay. The employee must exercise this election prior to the expiration of the six (6) month period described in (e) foregoing.

- (vi) At the call of either party, representatives of the Company and the Union shall meet to discuss the impact of technological change and potential measures that would mitigate the affect on employees.

ARTICLE 20 PENSION

- (a) Amend the pension plan to provide the following benefit per month per year of past and future service for current employees as at the date of ratification:

Effective:	January 1, 2000	\$42.00
	January 1, 2001	\$44.00
	January 1, 2002	\$46.00
	January 1, 2003	\$49.00
	January 1, 2004	\$52.00

- (b) A bridge pension provision will be effective June 1, 2003. The bridge pension will be eighteen dollars (\$18.00) per month per year of service. The bridge pension will be effective for an employee who retires at or after age sixty (60) years and is payable until attainment of age sixty-five (65) years.

ARTICLE 21 - DURATION OF AGREEMENT

21.01 This Agreement will be effective from June 1, 1999 to and including May 31, 2004 and thereafter from year to year unless written notice of intent to terminate or amend the Agreement at the expiration of any yearly period is given by either Party to the other Party within the four (4) month period to the termination date.

21.02 Within five (5) days after receipt of any notice given pursuant to this Article by either Party, the Parties to this Agreement will commence negotiations. During the period of negotiations, this Agreement will continue in full force and effect.

21.03 By Agreement of the Parties hereto, the provisions of Sub-Sections 2 and 3 of Section 50 of the Labour Code of British Columbia are specifically excluded.

Signed on Behalf of

Signed on Behalf of:

TEXADA QUARRYING LTD.

UNITED STEELWORKERS OF AMERICA,
Local Union 816

Harold M. Diggon
Operations Manager

Daniel Will
Staff Representative

Steve Bregoliss
President, CEO

Dusty Gable
President, Local Union 816

Id Schafer
Committee Member

Garner Gordon
Committee Member

LETTER OF UNDERSTANDING #1

BETWEEN: TEXADA QUARRYING LTD.

1999 – 2004 COLLECTIVE AGREEMENT: TEXADA QUARRYING LTD. and UNITED STEELWORKERS OF AMERICA, LOCAL 816

(The "Company")

AND: UNITED STEELWORKERS OF AMERICA,
LOCAL 816 (The "Union")

Weekend Overtime Work

The following provisions will govern an employee's eligibility for available overtime work on a Weekend (Saturday and/or Sunday).

- A. The employee must have worked a minimum of three (3) of the week days during the week immediately prior to the Weekend.
- B. An employee will not be entitled to work more than eight (8) hours of overtime each work day.
- C. Shift Schedules and sequence of offering overtime work:

Definitions:

Previous Week's Schedule – shall mean the shift schedule for that work week.

Following Week's Schedule – shall mean the shift schedule for the following week.

Posted Operators – shall mean those employees posted to the job classification that is working overtime.

SATURDAY GRAVEYARD SHIFT – PREVIOUS WEEK'S SCHEDULE

- 1. Posted Operators on Graveyard Shift.
- 2. Employees who have worked in the job classification on Graveyard Shift for three (3) or more days that week.
- 3. Posted Operators on Day Shift.
- 4. Senior qualified employees on Graveyard Shift.
- 5. Senior qualified employees on Day Shift.
- 6. Posted Operators on Afternoon shift.
- 7. Senior qualified employees on Afternoon Shift.

SATURDAY DAY SHIFT – PREVIOUS WEEK'S SCHEDULE

- 1. Posted Operators on Day Shift.
- 2. Employees who have worked in the job classification on Day Shift for three (3) or

- more days that week.
3. Posted Operators on Graveyard Shift.
 4. Posted Operators on Afternoon shift.
 5. Senior qualified employees on Day Shift.
 6. Senior qualified employees on Graveyard Shift.
 7. Senior qualified employees on Afternoon Shift.

SATURDAY AFTERNOON SHIFT – PREVIOUS WEEK’S SCHEDULE

1. Posted Operators on Afternoon Shift.
2. Employees who have worked in the job classification on Afternoon Shift for three (3) or more days that week.
3. Posted Operators on Day Shift.
4. Posted Operators on Graveyard Shift.
5. Senior qualified employees on Afternoon Shift.
6. Senior qualified employees on Day Shift.
7. Senior qualified employees on Graveyard Shift.

SUNDAY GRAVEYARD SHIFT – FOLLOWING WEEK’S SCHEDULE

1. Posted Operators on Graveyard Shift.
2. Posted Operators on Afternoon shift.
3. Posted Operators on Day Shift.
4. Senior qualified employees on Graveyard Shift.
5. Senior qualified employees on Afternoon Shift.
6. Senior qualified employees on Day Shift.

SUNDAY DAY SHIFT – FOLLOWING WEEK’S SCHEDULE

1. Posted Operators on Day Shift.
2. Posted Operators on Graveyard shift.
3. Posted Operators on Afternoon Shift.
4. Senior qualified employees on Day Shift.
5. Senior qualified employees on Graveyard Shift.
6. Senior qualified employees on Afternoon Shift.

SUNDAY AFTERNOON SHIFT – FOLLOWING WEEK’S SCHEDULE

1. Posted Operators on Afternoon Shift.
2. Posted Operators on Day shift.
3. * Posted Operators on Graveyard Shift.
4. Senior qualified employees on Afternoon Shift.
5. Senior qualified employees on Day Shift.
6. * Senior qualified employees on Graveyard Shift.

* Note: If an employee from one of these two groups works this shift, he must not then work the following Monday Graveyard Shift, as he would then be working sixteen (16) hours consecutively. However, the employee may choose to work the Monday Day Shift and thereby not lose his pay for the Monday shift.

An employee may voluntarily work up to an additional three (3) hours beyond the described shift if the Company expects the work to be concluded during that time (e.g. the loading of the barge will be finished) and the subsequent shift will not be called to work.

The foregoing provisions will govern the application of Weekend Overtime Work opportunities.

SIGNED THIS _____ day of _____, 2000.

FOR:

TEXADA QUARRYING LTD.

FOR:

UNITED STEELWORKERS OF
 AMERICA, LOCAL 816

LETTER OF UNDERSTANDING #2

WAGE & CLASSIFICATION SCHEDULE

Rates Per Hour – Effective:

	<u>June 1/99</u>	<u>June 1/00</u>	<u>June 1/01</u>	<u>June 1/02</u>	<u>June 1/03</u>
LABOURER	\$20.99	\$21.62	\$22.27	\$22.83	\$23.40
UTILITYMAN	\$21.93	\$22.59	\$23.27	\$23.85	\$24.45
MAINTENANCE MAN	\$22.66	\$23.34	\$24.04	\$24.64	\$25.26
FIELD MAINTENANCE	\$22.66	\$23.34	\$24.04	\$24.64	\$25.26
TRUCK DRIVER 50 TONS	\$22.74	\$23.42	\$24.12	\$24.72	\$25.34
MILL OPERATOR	\$22.76	\$23.44	\$24.14	\$24.74	\$25.36
DRILLER	\$22.82	\$23.50	\$24.21	\$24.82	\$25.44
ROTARY DRILLER	\$22.82	\$23.50	\$24.21	\$24.82	\$25.44
ROAD MAINTENANCE	\$22.90	\$23.59	\$24.30	\$24.91	\$25.53
BULLDOZER OPERATOR	\$22.90	\$23.59	\$24.30	\$24.91	\$25.53
TRUCK DRIVER 50+TONS	\$23.08	\$23.77	\$24.48	\$25.09	\$25.72
BARGE LOADER	\$23.20	\$23.90	\$24.62	\$25.24	\$25.87
BLASTER	\$23.35	\$24.05	\$24.77	\$25.39	\$26.02
LOADER 6 CY	\$23.44	\$24.14	\$24.86	\$25.48	\$26.12
LOADER 8 CY	\$23.50	\$24.21	\$24.94	\$25.56	\$26.20
LOADER 12 CY	\$23.67	\$24.38	\$25.11	\$25.74	\$26.38
MECHANIC	\$23.67	\$24.38	\$25.11	\$25.74	\$26.38
WELDER	\$23.67	\$24.38	\$25.11	\$25.74	\$26.38
LEADHAND MECHANIC	\$23.87	\$24.59	\$25.33	\$25.96	\$26.61

