

AGREEMENT BETWEEN:

CACHE CREEK MACHINE SHOP LTD.

AND:

**INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL 115**

August 1, 2002 to July 31, 2005

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LOCAL 115

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THIS AGREEMENT entered into this ____ day of _____, 200__.

BETWEEN:

CACHE CREEK MACHINE SHOP LTD.
Cache Creek, British Columbia
(hereinafter called the "Company")

PARTY OF THE FIRST PART

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS,
LOCAL 115,
4333 Ledger Avenue,
Burnaby, British Columbia
(hereinafter called the "Union")

PARTY OF THE SECOND PART

WITNESSETH: that the parties hereto agree as follows:

ARTICLE I: OBJECTS

The objects of this Agreement are 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.

ARTICLE II: DURATION

This Agreement shall be in full force and effect from and including August 1, 2002 to and including July 31, 2005 and shall continue in full force and effect from year to year thereafter subject to the right of either party to this Agreement within four (4) months immediately preceding the date July 31, 2005, 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 or the parties shall conclude a renewal or revision of the Agreement or a new Collective Agreement.

The operation of Section 50 (2) and (3) of the Labour Relations Code of British Columbia is hereby excluded.

ARTICLE III: DEFINITION OF EMPLOYEE

In this Agreement "employee" means a person who is employed by the Company and who is included in a unit of the Company's employees for whom the Union has been certified as the collective bargaining agent by the Industrial Relations Council of British Columbia.

"Employee" shall also mean a person employed in a job classification listed in Schedule "A" attached hereto, and working at or from any premises opened or taken over to the Company in British Columbia.

ARTICLE IV: BARGAINING AGENCY

1. The Company recognizes and agrees that the Union is the sole bargaining agent of the employees of Cache Creek Machine Shop Ltd., employed at the place set out in the certificate of bargaining authority and at any other premises opened or taken over by the Company in British Columbia.
2. This Agreement shall be binding on the Company and the Union and their respective successors, administrators, executors and assigns and on each employee.
3. Each employee covered by this Agreement shall, as a condition of employment and/or continued employment, be and remain or become and remain, a Union member in good standing for the duration of this Agreement or for the duration of his employment with the Company, whichever is shorter. Counting from the date he commences employment with the Company, each new employee will be allowed thirty (30) calendar days within which to make application to join the Union and tender the appropriate initiation fees. The Union shall have the exclusive right to determine who is a member in good standing. Should an employee at any time cease to be a member in good standing of the Union, the Company shall, upon notification in writing from the Union, discharge such employee forthwith.
4. The right to hire employees of its choice is vested exclusively in the Company, but when the Company requires new employees, it shall so notify the Union so that the Union may have the opportunity to provide the Company with suitable applicants.
5. 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 six (6) days of work in a calendar month and add that employee's name and the said amount to the closest applicable checkoff; i.e., if the checkoff for that month has not been remitted to the Union, it shall be added to that checkoff; if the month's checkoff has been remitted, it shall be added to the following month's checkoff and shown as the previous month worked.

ARTICLE V: HOURS OF WORK AND OVERTIME

1. The standard work day shall consist of eight (8) continuous hours, 8:00 a.m. to 4:00 p.m. The standard work week shall consist of forty (40) hours, Monday to Friday. Graveyard shift shall lead off at 12:01 a.m., Monday.

Hours of work in the Shop may be changed by mutual agreement between the Company and the Union

2. If a second shift is employed, the hours of work shall be seven and one-half (7-1/2) hours of work between the hours of 4:30 p.m., and 12:30 a.m., for which eight (8) hours will be paid and a shift premium of thirty-five cents (\$.35) shall be added on to the classified hourly rate.
3. If a third shift is employed, the hours of work shall be seven (7) hours of work between the hours of 12:30 a.m., and 8:00 a.m., for which eight (8) hours shall be paid and a shift premium of fifty cents (\$.50) shall be added on to the classified hourly rate.
4. Each shift shall have a half-hour lunch period at mid-shift. This lunch period shall be on Company time.
5. The Company shall give the employee forty-eight (48) hours notice prior to changing of shifts.
6. When it is necessary for an employee to be transferred from one shift to another shift, said shifts will continue for a minimum of three (3) consecutive normal working days, or the overtime rates as provided for in this Agreement will apply.
7. It is intended that every employee should have eight (8) hours rest between shifts. In the event that an employee is recalled to work before such eight (8) full hours elapse, he shall be paid the appropriate overtime rates for work performed after recall. No employee shall be permitted to resume work on his own accord until eight (8) full hours have 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.

8. (a) Employees called in before their regular starting time shall be paid at the double time rate for time worked prior to their regular starting time.
- (b) Employees called back to work after their regular shift shall receive a minimum of four (4) hours pay at the prevailing overtime rate.
- (c) Employees travelling in Company vehicles outside their normal working hours shall be paid at the double time rate for all hours worked.
9. (a) All hours worked outside of the standard work hours, outside the established shift hours and outside the standard work week shall be considered overtime and paid at double time.

- (b) Double time for all hours worked on a Saturday, Sunday or on any General Holiday listed in Article X, or day observed as such under the terms of this Agreement. This double time is in addition to any General Holiday pay an employee may be entitled to under other provisions of this Agreement.
10. (a) An employee reporting for work on his regular shift shall receive a minimum of eight (8) hours pay at his regular rate.
 - (b) An employee called to work on a Saturday, a Sunday or on a General Holiday, (or day observed as General Holiday), shall receive a minimum of four (4) hours pay at the prevailing overtime rates.
 - (c) All opportunities for overtime employment will be on a seniority basis with mutual agreement among the employees involved.
 - (d) The provisions of this section shall not apply if an employee voluntarily quits or lays off, or is discharged for proper cause.
11. Preparation Time

The Company will pay one (1) hour personal preparation time to employees being sent on out of town jobs for a period of overnight or longer at regular rates up to time and one-half. This will not be paid if an employee prepares for a trip during his normal working hours.
 12. Where an employee is required to work through the regular established lunch period, such employee shall be paid the applicable overtime rate and be allowed reasonable time off to consume a meal with no loss of pay.
 13. Where an employee, at the request of the Company, performs work at overtime rates, such time will be considered overtime only and will not be included in the computation of his daily guarantee as provided under this Agreement.
 14. Employees involved in an accident while on the job shall receive eight (8) hours pay at his classified rate for the day of the accident. If an employee is required to take time off while on the job to consult a doctor with regard to any compensable injury he has received on the job, he shall be paid for such time off provided a doctor's letter or note is supplied and he returns to complete the day's work, if practicable.
 15. All overtime shall be on a voluntary basis.
 16. Without detracting from the minimum overtime hours worked and/or minimum overtime pay guarantees as provided elsewhere in this Agreement, when an employee works overtime, his time worked shall be calculated on a fifteen (15) minute unit basis. If an employee works any part of a fifteen (15) minute unit he shall receive credit for time worked for that full fifteen (15) minute unit.

If the Company has a time clock when an employee works overtime his time worked shall be calculated on a ten (10) or twelve (12) minute period depending on time clock calibration. If an employee works any part of a ten (10) or twelve (12) minute unit he shall receive credit for time worked for that full ten (10) or twelve (12) minute unit.

17. When employees are being worked on two (2) or more shift schedules and where a majority of the employees request it they shall rotate shifts.
18. (a) Employees who work beyond ten (10) hours per day shall receive a maximum of one-half (1/2) hours pay for time off to eat a meal, and each four (4) hours thereafter, but may take up to forty-five (45) minutes off for such purpose. Further to this, if an employee feels that he requires additional time off, he will request such additional time from the Foreman and if the request is reasonable the Foreman shall grant same. This break shall occur at the regular meal hour.
- (b) The Company shall pay the cost of such a meal subject to the following conditions. The meal allowance for the Greater Vancouver Area will be a maximum of seven dollars and fifty cents (\$7.50) for meals, and in the areas outside of Vancouver the employees will buy a meal at the going rate of the area involved and be reimbursed for the cost. In all cases receipts shall be obtained and turned in to the Company with the amounts being justified by the prices in the areas involved.
- (c) Miscellaneous non-receipted items will be reimbursed to employees up to a maximum of three dollars (\$3.00) per day.
19. Parts Department employees shall be governed by the same hours of work as the Shop employees.

Parts Department wages to be negotiated when an employee is hired in this capacity.

ARTICLE VI: MANAGEMENT RIGHTS

The Union recognizes and agrees that:

- (a) The management and operation of the plant and the direction of the working forces are vested exclusively in the Company.
- (b) The Company has and shall retain the right to select its employees, to hire, classify, promote, demote or discipline them and discharge employees for proper cause, provided that a claim of discrimination against an employee in respect to any of these matters, or a claim of violation, of any section or Article of this agreement, may be the subject of a grievance and be dealt with as hereinafter provided.

ARTICLE VII: GRIEVANCE PROCEDURE

Should a dispute arise between the Company and an employee or the Union as an entity regarding the interpretation, application, operation, or any alleged violation of this Agreement, including any question as to whether any matter is arbitrable, it shall be resolved in the following procedural manner:

- (a) The employee or the Union, together with such person or persons as he or the Union may wish, shall take the matter up with the Company within thirty (30) calendar days.
- (b) Should a solution not be reached by step (a) then a Business Representative of the Union, accompanied by the employee if the employee or Business Representative so wish, shall discuss the matter with the Company. If a solution is reached, this shall be final.
- (c) If the procedures set forth in (a) and (b) above do not result in a solution being reached within seven (7) days of the first discussion between a Business Representative of the Union and a representative of the Company, or within such further period as the Company and the Union agree to in writing, the dispute shall be referred to an Arbitration Board of three (3) persons appointed as follows:
 - (1) 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.
 - (2) The party receiving the notice shall within five (5) days appoint a member for the Board and notify the other party of its appointment.
 - (3) The two Arbitrators so appointed shall confer to select a third person to be chairman and failing for three (3) 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, of British Columbia, to appoint such third party.

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 parties may extend the time by agreement in writing.

If the Arbitration Board finds (or if at any earlier stage of the Grievance Procedure it is found) that an employee has been unjustly suspended or discharged, 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 or discharge had not taken place, or if the Arbitration Board finds or if at any earlier stage of the Grievance Procedure it is found) that an ex-employee should have been rehired, that ex-employee shall be employed by the Company and paid all pay which he would have enjoyed and accorded all rights, privileges and benefits which he would have enjoyed if he had been hired at the proper time provided, that if it is shown to the Board that the

employee has been in receipt of wages during the period between discharge or suspension and reinstatement, or date of failure to rehire and rehiring, the amount so received shall be deducted from wages payable by the company pursuant to this Article, less any expenses which the employee has incurred in order to earn the wages so deducted, AND PROVIDED THAT the Arbitration Board, if circumstances are established before it, which in the opinion of the Arbitration Board, makes it just and equitable to do so, shall have the authority to order the

Company to pay less than the full amount of wages lost.

The Arbitration Board shall have the right to modify any penalty imposed by the Company on an employee.

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 Article.

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.

- (d) Any discharged employee may, within seventy-two (72) hours of his discharge, (exclusive of Saturdays, Sundays and General Holidays) in writing, require the Company to give him the reasons for his discharge and the Company will give such reasons to him, in writing, within seventy-two (72) hours of such request and in the event of any dispute or difference as to whether or not there was proper cause for the discharge of such an employee, only the reasons so set forth in writing, shall constitute cause.
- (e) Grievances pertaining to discharge and suspensions will not be processed under Section 96 (1) of the Labour Code of British Columbia, unless there is a mutual agreement between the parties.

ARTICLE VIII: SENIORITY

1. The Company shall at least once every six (6) months, post in a conspicuous place on its premises an up-to-date list of all employees covered by this Agreement showing the date when each commenced his employment with the Company. The Company shall forward to the Union a copy of each list on the date of its posting.
2. When a new employee is hired, it is agreed that he shall be on probation for forty-five (45) 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.

3. An employee re-entering the employ of the Company after his right to recall has expired shall not be subject to another probation period.
4. In the event of layoffs, seniority shall be recognized. The principle of last man on, first man off, shall prevail, subject to job classification. The Company shall give at least forty-eight (48) hours notice on layoffs, exclusive of Saturdays, Sundays and General Holidays, except where provided under the Employment Standards Act.
5. If layoffs occur, providing a senior man is capable of performing another job, he shall be given the opportunity to take such a job.
6. A laid-off employee shall retain his seniority and recall rights with the Company for six (6) months after the date of layoff.
7. 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. The Company shall make personal contact with laid-off employees.
8. If a laid-off employee is called back to work with the Company within his right to recall period, there shall be deemed to have been no break in such an employee's continuous service with the Company by reason of such layoff.
9. When new jobs are available, wherever possible, the Company will promote employees to a better job; seniority, qualifications and ability to be considered.

ARTICLE IX: VACATIONS

1. The Company shall give each employee an annual holiday which will be allocated on the basis of seniority and based on the following entitlements:
 - (a) An employee shall receive two (2) weeks' vacation upon completing a term of one (1) years' service and each year thereafter up to two (2) years' service. He shall receive as vacation pay for each vacation period either eighty (80) hours' pay at his then applicable current rate or five percent (5%) of his gross earnings for the work year immediately preceding the vacation period, whichever is the greater.
 - (b) An employee shall receive three (3) weeks' vacation for the second years' service. He shall receive as vacation pay for each vacation period either one hundred and twenty (120) hours' pay at his then applicable current rate or six percent (6%) of his gross earnings for the work year immediately preceding the vacation period, whichever is the greater.
 - (c) An employee shall receive four (4) weeks' vacation for the third years' service and each year thereafter up to six (6) years' service. He shall receive as vacation pay for each vacation period either one hundred and sixty (160) hours' pay at his then applicable current rate, or eight percent (8%) of his gross earnings for the work year immediately preceding the vacation period, whichever is the greater.

- (d) An employee shall receive five (5) weeks' vacation for the sixth years' service and each year thereafter up to ten (10) years' service. He shall receive as vacation pay for each vacation period either one hundred sixty (160) hours' pay at his then applicable current rate, or ten percent (10%) of his gross earnings for the work year immediately preceding the vacation period, whichever is the greater.
- (e) An employee shall receive six (6) weeks' vacation for the tenth years' service and each year thereafter up to twenty (20) years' service. He shall receive as vacation pay for each vacation period either two hundred (200) hours' pay at his then applicable current rate, or twelve percent (12%) of his gross earnings for the work year immediately preceding the vacation period, whichever is the greater.
- (f) An employee shall receive eight (8) weeks' vacation for the twentieth years' service as an employee, and each year thereafter up to thirty (30) years' service. He shall receive as vacation pay for each vacation period either three hundred and twenty (320) hours' pay at his then applicable current rate, or sixteen percent (16%) of his gross earnings for the work year immediately preceding the vacation period, whichever is the greater.
- (g) For the purpose of determining a calendar year's employment to qualify an employee for vacations and vacation pay, the parties agree that when an employee has worked a minimum of fifteen hundred (1500) hours in an employee's calendar year, running from anniversary date to anniversary date, he shall be eligible for vacations as above set forth.

Employees who work less than fifteen hundred (1500) hours shall be paid as the case may be, five percent (5%), six percent (6%), eight percent (8%), ten percent (10%), twelve percent (12%) or sixteen percent (16%) of their gross earnings for the work year immediately preceding the vacation period.

- (h) In the event of termination of service with the Company after an employee has had his vacation he earned for the previous year, he shall receive as vacation pay five (5%), six percent (6%), eight percent (8%), ten percent (10%), twelve percent (12%) or sixteen percent (16%) as the case may be of his gross earnings he earned in the year in which he ends his employment for which no vacation has been paid.
- (i) Prior to an employee going on his vacation, the Company shall furnish the employee with a statement showing the period for which the employee is receiving his or her vacation pay, how the vacation pay was calculated, and shall include all overtime payment, commissions, or anything of a monetary value on which the employee has to pay income tax, and also a cheque for the proportionate vacation pay the employee is entitled to.
- (j) If an employee so requests, the Company will provide two (2) weeks of the employee's vacation time in the summer months (June 15th to September 15th). If a dispute arises, vacation periods will be allocated on the basis of seniority.

The Company will consider three (3) weeks' vacation during the summer months for those employees eligible for four (4) weeks or more vacation if so requested.

- (k) In any year that an employee becomes entitled to an additional vacation upon reaching his anniversary date of employment, he will be entitled to one (1) week's vacation with pay at that time.
- (l) An employee's scheduled vacation period shall not be changed by the Company within the one (1) month period immediately preceding the start of the vacation period without the consent of the employee concerned.
- (m) Each employee shall be required to take the full annual holiday period that he is entitled to under the provisions of this Agreement.
- (n) The entitlements of an employee under this section shall at no time be less beneficial than those he would be entitled to under the provisions of any Government legislation or any orders or regulations made thereunder.
- (o) Eligibility for vacations shall be maintained, but not accumulated during absence:
 - (i) due to temporary illness or non-occupational accident exceeding twenty-six (26) weeks;
 - (ii) with authorized leave of absence;
 - (iii) due to layoff without recall, for a period not to exceed twelve (12) calendar months.
- A. Eligibility for vacations will be maintained and accumulated during absence due to:
 - (i) a compensable accident;
 - (ii) serving in the non-permanent Armed Forces of Canada;
 - (iii) temporary illness or non-occupational accident not exceeding twenty-six (26) weeks.

ARTICLE X: GENERAL HOLIDAY PAY

- 1. (a) The Company shall give to each employee a holiday with pay on each of the designated General Holidays. For each such holiday an employee shall be paid not less than the equivalent of the wages he would have earned at his classified rate of pay for his normal hours of work. An employee shall receive such holiday pay even if the holiday falls on a Saturday, Sunday or on an employee's weekly day off. The designated General Holidays shall be:

New Year's Day	Remembrance Day	Boxing Day
Labour Day	Thanksgiving Day	Christmas Day
Dominion Day	B. C. Day	Easter Monday
Good Friday	Empire Day	Heritage Day

and any other holiday declared, proclaimed or celebrated by the Federal and/or Provincial Government will be paid for and such holiday will be a thirteenth (13th) holiday.

When a General Holiday falls on a Saturday or on a Sunday or on an employee's weekly day off then the next work day shall be observed as the holiday. If Christmas Day and Boxing Day fall on a Saturday and on a Sunday respectively, or on an employee's weekly days off, then the next two (2) work days shall be observed as holidays.

- (b) Without limiting the general application of sub-section (a) of this section, but subject to the provisos contained herein, General Holiday pay provisions will prevail:
 - (i) where an employee is off work due to any circumstances for which he is eligible to receive compensation under the Workers' Compensation Act, provided such an employee has earned wages from the Company during the sixty (60) calendar days immediately preceding the holiday;
 - (ii) where an employee is off work due to sickness, quarantine or an accident provided such an employee has earned wages from the Company during the sixty (60) calendar days immediately preceding the holiday. If the Company so requests, a doctor's certificate shall be submitted as proof of disability;
 - (iii) where an employee is laid-off or is on an approved leave of absence provided such an employee has earned wages from the Company during the two (2) calendar weeks immediately preceding the week in which the holiday occurs;
 - (iv) where an employee is off work due to a death in the immediate family or is acting as a juror or witness as provided elsewhere in this Agreement.
- 2. When a General Holiday falls within an employee's scheduled vacation, he shall receive the pay of a normal shift for the holiday in addition to his vacation pay, or a day off with pay in conjunction with his vacation.
- 3. The Company shall give to each employee working a 4 X 10 shift schedule a holiday with pay on each of the designated General Holidays. For each such holiday an employee shall be paid not less than the equivalent of the wages he would have earned at this classified rate of pay for his normal hours of work.

ARTICLE XI- WAGES

- 1. The Company shall remunerate an employee at the wage rate applicable to the job classification that such an employee is employed in. The job classifications and applicable wage rates shall be those agreed upon and set out in Schedule "A", attached hereto, and forming part of this Agreement.

2. Payment of Wages

The Company shall, every second Friday, pay to each employee all wages earned by the employee to a day not more than five (5) working days prior to the date of payment provided that if a General Holiday falls on the regular pay day, payment will be made the preceding day.

Any under or overpayment shall be corrected immediately upon clarification of mistake.

Payment of wages will be made during working hours. Where a payroll is not met within the prescribed time and unless proper reasons for the delay are forthcoming, it shall not be considered a violation of this Agreement for the employees to cease work until the wages are paid or other arrangements are made.

In the event that an employee is laid off, the Company shall pay such an employee not later than the next business day after he ceases to be an employee of the Company, all wage, salary and holiday pay earned by such employee, excluding authorized deductions.

Where an employee is not paid as provided above, such employee shall be deemed to be still on the payroll of the Company, and shall receive his usual wages until there is compliance with the above provisions or other arrangements are made.

The Company will issue to each employee a separate or detachable itemized statement with each pay showing separately the number of straight time hours worked and the number of overtime hours worked and the respective hourly rates applicable thereon. The statement shall also show the total wages for the pay period and the total deductions therefrom.

An employee shall be required, on Company time, to fill out time slips, service reports and job or work reports daily if the Company so requests.

3. Construction rates of pay shall be paid to employees who install permanent machinery on construction sites or who do repair work on construction sites that would otherwise be done by members of Building Trades Unions. The construction rates of pay shall only apply to the actual hours worked on the construction site.

Construction rates shall not apply to service calls, inspection calls, warranty work and delivery jobs.

4. The Company will pay an off-property premium of fifty cents (\$.50) per hour for all time spent on Company business outside the Village of Cache Creek limits. This premium shall be added to the employee's regular hourly rate.

This premium does not apply when employees are performing pick-up and delivery of parts.

ARTICLE XII: TRANSPORTATION AND EXPENSES

1. (a) Employees required to report to work outside the Cache Creek area who do not return daily shall be paid all their transportation, accommodation and meal expenses, and other reasonable, miscellaneous listed, non-receipted items.
- (b) Travel time and waiting time during the employee's regular shift hours, will be paid at straight time. Travel time authorized by the Company or the customer outside the employee's regular shift hours, will be paid for at double time up to a maximum of eight (8) hours in any twenty-four (24) hour period. All travel time and waiting time on Saturday, Sunday and any General Holiday will be paid for at double time to a maximum of eight (8) hours in any twenty-four (24) hour period.

All time spent driving or riding in a motor vehicle to and from such job or jobs shall be considered as time worked.

- (c) The exception to this provision would be where first class sleeping accommodation is provided while travelling on a public conveyance. In this instance, time would cease at 9:00 p.m., and commence at 8:00 a.m., the next day.
- (d) Air Travel Insurance

If an employee is required to travel by air on Company business, the Company agrees to reimburse such an employee the amount of the cost of flight insurance up to a maximum of one hundred five thousand dollars (\$105,000.00) coverage. A covering receipt must be turned into the Company for reimbursement.

2. In going to work outside the limits of Cache Creek and returning daily, men shall be at such city limits at the starting time, and allowed time 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 Company. It is understood that where employees reside in the city where the work is being done, they shall report to and finish work at the regular starting and stopping time.

All time spent driving or riding in a motor vehicle to and from such job or jobs shall be considered as time worked.

3. 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 fifty cents (\$.50) per mile, with a minimum payment of ten dollars (\$10.00) per trip.

The Company agrees to reimburse the employee for the difference between standard rate and business rate insurance to those employees requested by the Company to use their vehicles on Company business.

An employee shall arrange with the Company for adequate insurance coverage before using his motor vehicle on Company business.

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

4. On out-of-town assignments where employees cannot return daily, employees shall be guaranteed ten (10) hours per day.

On days travelling to and from such assignments, the ten (10) hour guarantee shall not apply.

When an employee is going out on a job which will require his absence from home for one or more nights, the Company shall inform such an employee, on or before the day of his departure, of the approximate length of time he will be out on the job. If an employee is sent out on one job and subsequently is assigned to other jobs, the total period will not be extended beyond fourteen (14) days.

If there is reason to extend this period, and the employee requests to return home, the Company will transport such an employee back to his home base and during such transportation such an employee shall be accorded all the benefits and conditions as to travelling as provided under this Agreement.

This will not preclude long term out-of-town assignments which will be arranged in advance.

ARTICLE XIII: GENERAL PROVISIONS

1. An employee suffering injury while in the employ of the Company must report to the First Aid Department immediately, or as soon thereafter as practicable, and also report to the First Aid Department on returning to work.
2. Adequate washroom facilities will be provided by the Company and kept in sanitary condition. Employees will co-operate by observing the simple rules of cleanliness.
3. Waterless hand cleaner shall be supplied at all mechanical operations covered by this Agreement.
4. The Company will supply suitably enclosed heated accommodation where employees may have their lunch.
5. An employee shall be granted two (2) ten (10) minute breaks during the course of each shift - one in each half of the shift. An employee shall be granted a ten (10) minute break after each two (2) hours of overtime he works in any day. If an employee is working off the Company's premises, these periods shall be increased to fifteen (15) minutes.
6. Employees shall be allowed a minimum of five (5) minutes personal clean-up time each shift, such time to precede the end of the shift.

7. (a) With the co-operation of employees, the Company will attempt to maintain shop temperatures above 50 degrees Fahrenheit during cold weather. The Company agrees not to require its employees to perform outside repair work in temperatures below -20 degrees Fahrenheit, unless adequate protection and some form of heat is provided. Tarpaulins, windbreaks, etc., shall be erected before commencement of work and heat must be made available.

NOTE - It must be recognized that an understanding of this nature requires a high degree of co-operation between employees and the Company. Employees will not arbitrarily stop work without advising their supervisors.

- (b) The Company shall supply protective clothing when employees are engaged in cleaning equipment.
- (c) The Company agrees to supply and launder, at its expense, two (2) pair of coveralls per week for each employee, with extra coveralls to be available if conditions warrant.
- (d) The Company shall provide the employees with a boot and tool allowance of three hundred dollars (\$300.00) per year or portion earned for months worked. Boot allowance earned shall be paid in full to employees upon lay-off, termination and shall be paid no later than April 30th of every contract year or a penalty of ten percent (10%) per month interest will be assessed.
8. (a) The Union may select or appoint a Shop Steward or Shop Stewards to represent the employees and the Union shall notify the Company as to the name of such Shop Steward. The Company agrees that no Shop Steward shall suffer any discrimination by reason of holding such office.
- (b) When the Company for any reason finds it necessary to terminate a Shop Steward, the Business Representative of the Union shall be notified prior to such termination.
- (c) Upon informing management, authorized agents of the Union shall have access to the Company's premises during working hours for the purposes of adjusting disputes, investigating working conditions and ascertaining that the Agreement is being adhered to in the operation.
- (d) The Shop Steward shall be allowed reasonable time during working hours to carry out his duties. Any employee being reprimanded by the Company shall have the right to request that the Shop Steward be in attendance.
9. (a) It shall not be considered a violation of this Agreement for an employee to refuse to cross a picket line which has been legally established as a result of a bona fide labour dispute between a recognized Trade Union and an Employer with whom the picketing Union has a dispute.

- (b) The Union reserves the right to render assistance to other labour organizations. It shall not be considered a violation of this Agreement for an employee to refuse to work with a non-Union workman or workmen.

10. (a) Standby Time:

If an employee reports to a field job outside the Cache Creek area and through no fault of his own, is unable to work, he shall immediately contact the Company for instructions. Nevertheless, while being required to stand by the job, he shall be paid for a regular shift of eight (8) hours in each twenty-four (24) hours.

(b) Layover Time:

Where an employee is required to remain in the field on Saturday, Sunday or a General Holiday, he shall be paid eight (8) hours for each such day at straight times rates.

11. No supervisors or office personnel will be allowed to use hand tools or carry out work which would be normally done by employees in the bargaining unit, except in the instructing or training of employees.

12. Bonding

If, at any time, the Company requires an employee to be bonded by an individual bond, the cost of such bonding shall be assumed by the Company. An employee shall not fill out the required bonding application form until such application form has been sanctioned by the Union.

13. Tools

- (a) The Company shall provide, at its expense, tool insurance coverage for Journeyman and Apprentices. Such coverage shall pay the cost of replacing an employee's tools, tool for tool, make for make, at no cost to the employee.

Each employee will provide an inventory of his tools on a form supplied by the Company to be eligible for tool insurance. Employees filling out and updating their tool inventories shall do so on their own time.

- (b) The Company shall provide the employees with a boot and tool allowance of three hundred dollars (\$300.00) per year of employment or portion earned for the number of months worked. The Company shall first replace tools on the following lists and then provide tools which the employee may request up to the limit of the employee's accrued tool allowance. Tool allowance earned shall be paid in full to an employee upon lay-off, termination and shall be paid no later than April 30th of every contract year or a penalty of ten percent (10%) per month interest will be assessed.

- (c) Each employee shall have the following tools of good quality and repair at his place of employment, see Schedule "B", (NOTE - the question of whether an employee's tools are of good quality and repair shall be determined jointly between the Shop Steward and the Company.)
- (d) The Company agrees to supply each employee with safety glasses on a charge-out basis. In the event the employee needs a new set of safety glasses, he must return the old set to the Company prior to being issued a new set at no cost to the employee.

14. Sub-Contracting:

Where the Company's facilities, space and trained personnel are available, the Company will endeavour to continue to have all work which is presently performed by its employees, performed by members of the bargaining unit.

15. Leave of Absence:

- (a) (i) The Company shall allow time off work without pay for any employee who is serving on a Union committee for purposes of discussions with the Company, or serving as a Union delegate to any conference or function, provided all requests for time off are reasonable and do not interfere with the proper operation of the business.
- (ii) No employee who acts within the scope of this sub-section shall lose his job or be discriminated against for so acting.
- (b) (i) When a employee suffers an injury, whether on the job or not, or suffers any illness preventing him from reporting to work, he will automatically be granted leave of absence until such time as his doctor states he can return to work.
- (ii) When any employee suffers an injury or illness which requires his absence, he shall report the fact to the Company as soon as possible, prior to his actual starting time, so that adequate replacement may be made if necessary.
- (c) Employees shall be allowed leave of absence in order to upgrade or renew short term tickets. This leave shall be worked out between the Company and the employee.
- (d) If an employee desires a leave of absence for reasons other than those referred to in this section, he must obtain permission, in writing, for the same from the Company, a copy to be supplied to the Union.
- (e) In any instance where an employee accepts other employment without the consent of management, when on leave of absence for any reason, his employment may be terminated, subject to proper proof of same.

16. Union Notices:

- (a) A notice board shall be provided for the posting of all official Union notices exclusively, and will not be used for the purpose of disseminating political information. The right is reserved to the Company to request the removal of material offensive to the Company.
- (b) The following information shall be kept in a central location, readily accessible to the Shop Steward:
 - (i) Seniority List;
 - (ii) Copy of the Agreement;
 - (iii) Welfare Plan Provisions.

Any employee requiring such information shall contact the Shop Steward for same.

17. Technological or Procedure Changes:

In the event the Company proposes the introduction of equipment in its operations, requiring specialized training, the Company agrees to give the first opportunity to employees then on the payroll through the job posting procedures of this Agreement, to operate this equipment and/or train to operate the equipment, provided the applicant qualifies with the requirements of an aptitude test, cost of such test to be borne by the Company. Any employee taking such a test is entitled to know the results of such test. The Company further agrees to notify the Union as soon as its final decision is made as to the introduction of new equipment or any procedural change. Failure on the part of the Company to comply with these provisions will automatically give cause for grievance.

18. Job Posting, etc.:

In the event that a new job is created, a vacancy occurs, or new equipment is installed in the operation, the Company shall post a notice on the bulletin board notifying that a vacancy exists in a particular job.

Employees desiring such job shall then apply, in writing, within thirty-six (36) hours of such posting, except that employees on vacation or out of town on work for the Company at such time shall have the privilege of applying when they return. The senior employee applying who has the ability to do the job, subject to the Technological or Procedure Changes section of this Agreement, shall receive such job.

- 19. (a) If an employee suffers a death in the immediate family he shall be granted compassionate leave of absence with full pay for three (3) days. Immediate family means: spouse, mother, father, sister, brother, children, mother-in-law and father-in-law. If the employee affected does not attend or arrange services then he shall only be entitled to one (1) day as provided under this section.

- (b) All time lost by an employee due to necessary attendance on jury duty, or acting as a witness or any court proceedings arising out of his employment, or subpoenaed as a witness, or in completing his driver's test required by the employee for actual employment with the Company, or doctor's examinations in connection therewith, shall be paid for by the Company at the rate of pay applicable to said employee. If an employee is employed on an afternoon or graveyard shift and attends upon jury duty, or if an employee is attending upon jury duty or acting as a witness and becomes scheduled to commence work on an afternoon or graveyard shift, such an employee shall not be required to work such shifts and shall receive pay for time loss pertaining to jury duty or acting as a witness as provided in this sub-section. All jury duty pay received by an employee for the days he received pay from the Company shall be paid over to the Company. Any employee on jury duty, shall subject to this section, make himself available for work before or after being required for such duty whenever practicable during his regular shift.
- (c) When an employee returns from serving on jury duty or from participating as a witness, he will be returned to the job he held prior to serving.

20. Sick Time:

The Company shall grant sick leave credits to each employee. These credits shall be granted on the following basis:

At the beginning of each service year with the Company, an employee will receive credit for forty-eight (48) hours' sick leave to apply to the service year which is just commencing. Before reaching an anniversary date at which sick time will be received, an employee will receive during the interim period sick leave credits based on four (4) hours per month which will be accumulative to a maximum of forty-eight (48) hours. A new employee shall not receive sick leave credits until he has been in the employ of the Company for sixty (60) calendar days.

The Company shall, to the extent that sick leave credits are available, pay to an employee who reports sick on a regular work day the equivalent of wages he would have earned at his classified rate of pay for his normal hours of work and reduce his sick leave credits by the number of hours that correspond with the number of hours that he would have normally worked.

Sick time shall be subject to the following provisions:

- (a) Sick leave shall be granted for an employee's personal use only.
- (b) An employee who reports sick during any day will have his sick leave allotment reduced by the number of hours not worked during the day.
- (c) Sick time is not to be used for any purpose other than legitimate illness, with the exception that unused sick days may be added to an employee's annual holiday; up to four (4) days per year.

- (d) All absence due to illness of a duration of more than three (3) consecutive days shall require a doctor's certificate to an employee's department manager.
- (e) It is the responsibility of an employee to immediately notify his department supervisor of absence due to illness. If there is no notification, absence may be considered absence without pay.
- (f) A committee of three (3) comprising an employee's supervisor, department manager and a Business Representative of the Union, shall rule on any contingencies not covered by these provisions.
- (g) In computing time served with the Company for purposes of determining eligibility for sick time with pay, it will be governed by an employee's commencement date with the Company.
- (h) Two (2) days unused sick time per service year may be accumulated up to a maximum of twelve (12) extra days sick time, provided that:
 - (i) They have not been used for holidays.
 - (ii) No more than two (2) days' sick leave credits have been used in that service year for which the extra days are granted.
 - (iii) Accumulated extra sick time may only be used after the annual six (6) days' sick time has been used up.

NOTE - Sick leave may not be used for any periods covered by sickness and accident insurance for Workers' Compensation.

21. Dismissed or Improper Charges:

When a charge is laid against an employee, such charge arising while the employee was acting within his scope of employment with the Company, and such charge is dismissed or held improper by a court of competent jurisdiction or on an appeal taken therefrom, the Company shall pay the employee at his regular rate for the time loss due to attendances on his legal counsel and any court appearances. The Company shall also reimburse the employee for any legal fees and other legitimate expenses that the employee has incurred. Prior to the employee taking steps to defend himself he shall consult the General Manager of the Company to determine which legal firm should be used.

22. Transfer:

When an employee agrees to a transfer the Company shall:

- (a) Allow reasonable living expenses to the transferred employee up to a maximum of thirty (30) days. Living expenses are to be discussed initially with the employee before departure and each fifteen (15) days thereafter;

- (b) Pay the transferred employee's transportation costs to the new location and supply first class accommodation and meals to the employee while he is en route to the new location;
- (c) Assume the cost of moving the transferred employee's family and household goods to the new location. This shall include the cost of transporting and accommodating the family while en route to the new location;

No transferred employee shall move his family or household goods at the Company's expense without written authority from the General Manager of the operation.

- (d) Any employee transferred to another branch shall, when his assignment is completed at that branch or location, have the Company pay all costs of moving him, his family and household effects back to his original location. This provision will only apply to employees who have been in the transferred position for three (3) years or less.

23. Article Headings:

The article headings shall be used for purpose of reference only, and may not be used as an aid in the interpretation of this Agreement.

24. Truck Maintenance and Safety:

It is to the mutual advantage of both the Company and the employees, that employees should not operate vehicles which are not in safe operating condition and not equipped with the safety equipment required by law. The maintenance of equipment in sound operating condition is not only a function but a responsibility of Management and in respect thereto the Company agrees as follows:

- (a) The Company shall not require employees to take out on the streets or highways any vehicle that is not in safe operating condition or equipped with safety equipment, seat belts or stickers prescribed by law. It shall not be a violation of this Agreement where employees refuse to operate such equipment.
- (b) All trucks owned or leased by the Company must have steps or other similar devices to enable drivers to get in and out of the body for safety purposes.
- (c) It is agreed between the Company and the Union, having regard for the safety and driver health factor, that all vehicles shall have adequate heaters, windshield wipers and defrosters installed.
- (d) It is mutually agreed that a form shall be supplied the driver on which he must report defects in equipment with sufficient copies so that the driver may retain a copy and so that the head office of the Company will have a copy of this report on file.

- (e) When a driver reports a defect in equipment, he must tag or mark the vehicle involved in such a manner so that any other employee will notice the defective equipment. It shall be the Company's responsibility to supply tags or other marking devices. This tag to be left on the vehicle in order to show the work has been completed and shall be removed by the out-going driver.
 - (f) The Company shall not compel any driver to operate a vehicle which weighs in excess of the legal gross weight limits. Where a driver with the knowledge of the Company operates with an overload and is convicted, the Company shall be responsible for any fines involved. Drivers who of their own accord, operate with an overload may be subject to discipline and responsible for their own fines.
 - (g) The Company shall supply a fire extinguisher and an adequate First Aid Kit for each service vehicle. Each uncovered service vehicle shall be equipped with a tarpaulin.
25. The Company will provide rubber clothes, rubber boots, welder's aprons, goggles and helmets of a reasonable fit and a reasonable quantity, as a tool crib item for shop, yard and field use. An acceptable quality of welding gloves will be supplied by the Company on the basis of one (1) pair per month for employees who require them.

Severance and Layoff Pay:

26. (a) If an employee is laid off for a period that exceeds his right to recall as provided for in the Seniority provisions of this Agreement and that employee has a minimum of two (2) years' service with the Company, he shall be paid two (2) weeks' pay based on eighty (80) hours at his then applicable rate of pay. Such an employee may elect to accept layoff pay under the provisions of this section before the end of his right to recall period, but in so doing shall forfeit all seniority rights accruing to him under this Agreement, by reason of his term of service with the Company.
- (b) In the event of amalgamation, permanent closure of the plant, or a department thereof, or automation, causing an employee to lose his employment with the Company, the Company hereby agrees to pay severance pay to such an employee provided the employee has a minimum of two (2) years' service with the Company. Severance pay shall be based on an employee's regular rate of pay at the date of his severance and shall be paid in accordance with the following schedule:

One (1) week's pay for each year of service with the Company to a maximum of seventeen (17) weeks.

In the event that part of the plant remains open or that an employee has lost his employment because of amalgamation or automation, an employee eligible to receive severance pay may elect to remain on the seniority list for possible recall. The Company shall hold the severance pay for such employee for the period of his right to recall but during such period the employee may, subject to the same forfeiture provisions of sub-section (a) of this section, request and receive payment of such pay.

27. (a) Health and Welfare

Effective October 1, 1992 the Company shall make contributions to the Operating Engineers' Welfare Plan at the rate of one dollar and twenty cents (\$1.20) per hour for each hour for which wages are payable to employees covered by this Agreement.

The Operating Engineers' Welfare Plan shall be controlled by a Board of Trustees composed of six (6) representatives from the Union and two (2) from the Amalgamated Construction Association of British Columbia.

The Company agrees to be bound by the terms of the Trust Agreement.

Contributions must be forwarded by the Company to the Operating Engineers' Welfare Plan by the fifteenth (15th) day of the month following the month which the contributions cover, and shall be in accordance with the prescribed contribution forms supplied by the Welfare Plan.

In the event the Company fails to remit contributions to this Plan in conformity with this section of the Agreement, the Union is free to take any economic action it deems necessary against the Company, and such action shall not be considered a violation of this Agreement.

A Business Representative of the Union may inspect, during business hours, the Company's record of time worked by employees and contributions made to the Plan.

Other personnel of the Company party to this Agreement may become Associate Members of the Plan as provided for in the Trust Agreement, and, upon so doing, be governed by the regulations as provided by the Trustees from time to time.

Benefits which will be provided under this Plan are as follows:

- (i) Medical Surgical Benefits;
- (ii) Weekly Indemnity Benefits for Non-Occupational Sickness and Accident;
- (iii) Such additional benefits as the Trustees of the Plan shall periodically determine.

(b) Travel - Accident Insurance:

The Company will contract and maintain at its expense a travel accident insurance policy with a minimum principal sum of fifty thousand dollars (\$50,000.00) to the beneficiary or estate of any employee who loses his life while travelling on Company business.

- 28. The Company agrees to consider the reimbursement of fees to an employee where he is improving or upgrading himself in his line of work. The cost of Tradesmen Qualification Examinations will also be considered.

The Company shall be consulted prior to the employee incurring the obligation.

SIGNED at Cache Creek, B.C., this ____ day of _____, 2003.

CACHE CREEK MACHINE SHOP LTD

INTERNATIONAL UNION OF
OPERATING ENGINEERS, LOCAL 115

SCHEDULE "A"

<u>CLASSIFICATIONS</u>	<u>HOURLY WAGE RATES</u>		
	<u>Aug. 1,2003</u>	<u>Aug. 1,2003</u>	<u>Aug. 1, 2004</u>
Mechanics, Welders, Painters, Machinists, Blacksmiths	\$28.00	\$28.25	\$28.75
Janitor, Shop Helper, Tool Crib Man	\$14.99	\$15.24	\$15.74

Students or casual labour hired between the dates of May 1 and August 31 of each year shall be paid eight dollars (\$8.00) per hour and will accumulate no seniority; and shall not do any work normally done by a Journeyman or Shop Helper.

Apprentices:

New employees who have completed Vocational School Training or who have experience and time spent with a company who performs similar work, shall after completion of his probationary period, will be indentured through the Operating Engineers' Apprenticeship Plan. Apprentices shall remain at shop helper's rate until he is indentured to the Apprenticeship Plan.

A ratio of one (1) Apprentice shall be allowed for each four (4) Journeymen.

Registered Apprentices who, as a requirement of their Apprenticeship, attend school shall be paid regular wages based on a forty hour week (as set out by the Ministry of Labour Apprenticeship Branch) in each calendar year while attending school, less the Government grant.

An Apprentice having served his required time and having passed any necessary examinations will automatically be classified as a Journeyman.

Indentured Apprentice Scale:

- 1st year 55% of Journeyman rate.
- 2nd year 65% of Journeyman rate.
- 3rd year 80% of Journeyman rate.
- 4th year 90% of Journeyman rate.

SCHEDULE "A" - continued

First Aid Man:

When an employee is designated as First Aid Man by the Company he shall receive twenty-five (\$.25) per hour above his classification. The Company will pay the maintenance cost of an appointed First Aid Attendant's certificate.

Lead Hand:

When an employee is designated as Lead Hand by the Company he shall receive sixty cent (\$.60) per hour above the highest classification under his supervision.

Where an employee works in a higher hourly wage classification, he shall be paid the higher rate for the hours worked in such classification.

When a new job classification is introduced which is not included in the list of classifications in this Schedule, the Company and the Union shall promptly negotiate a wage rate for such classification.

Every effort will be made by the parties to conclude negotiations within thirty (30) days, but in any event, the rate established shall be retroactive to the day the new job commenced.

In the event the parties hereto are unable to conclude negotiations the matters in dispute shall be referred to a single Arbitrator agreed upon between the parties. Failing such agreement, either party at any time may call upon the Minister of Labour of British Columbia to appoint an Arbitrator.

SCHEDULE "B"

TOOLS REQUIRED

1 tip cleaners
1 12" crescent
1 10" crescent
1 12 foot tape
1 chipping hammer
1 screwdriver set
1 side cutters
2 vice grips
1 pliers
1 file
1 2 lb. hammer
1 set ear plugs
1 square
1 pipe wrench
1 chisel and punch set
1 pair cutting goggles
1 welding helmet
1 level
1 striker
1 set allen wrenches

TOOL LIST FOR MACHINISTS

Tools to be of good quality to insure good workmanship
6" inside caliper
6" outside caliper
6" dividers
1 12" combination set (12" rule, center head & protractor)
scribers
1 surface gage
1 6" rule
1 set 0 - 6" outside micrometer
1 set 0 - 12" inside micrometer
1 set punches & chisels
1 set combination wrenches
1 pliers set (long nose, cutting plier, combination pliers)
1 set small clamps
1 set sockets 1/2" drive (after one year employment)
1 6" vernier calipers
1 dial indicator - c/w magnetic base

SCHEDULE "B" - continued

1 bevel tee square

After One Year

1 standard set open end
and box end wrenches
(3/8" - 1-1/4")

1 wrap around

1 caulk line

1 set vee blocks - after one
year employment

1 hammers (18 oz.)

1 soft faced hammer

1 8" crescent wrench

1 10" crescent wrench

1 12" crescent wrench

1 machinist square

1 hacksaw

1 set 1/2" - 6" telescoping
gage

1 set thread gages - c/w 60/
thread gage standard

Machinists will be required to
purchase metric tools as
required for their job.