

COLLECTIVE AGREEMENT

BETWEEN

CONECO EQUIPMENT
(A DIVISION OF KCL WEST HOLDINGS INC.)

and

INTERNATIONAL UNION OF OPERATING ENGINEERS,
LOCAL 115

May 1, 2003 to April 30, 2006

TABLE OF CONTENTS

ARTICLE 1: OBJECTS	1
ARTICLE 2: BARGAINING AGENCY	1
ARTICLE 3: UNION SECURITY	1
ARTICLE 4: MANAGEMENT RIGHTS	2
ARTICLE 5: DEFINITION OF EMPLOYEE	2
ARTICLE 6: HOURS OF WORK AND OVERTIME	2
ARTICLE 7: GRIEVANCE PROCEDURE	4
ARTICLE 8: ARBITRATION	5
ARTICLE 9: SENIORITY	6
ARTICLE 10: VACATIONS	7
ARTICLE 11: GENERAL HOLIDAYS	9
ARTICLE 12: WAGES	10
ARTICLE 13: TRAVEL TIME - TRANSPORTATION - EXPENSES	11
ARTICLE 14: LEAVE OF ABSENCE	13
ARTICLE 15: GENERAL PROVISIONS	13
ARTICLE 16: TECHNOLOGICAL OR PROCEDURE CHANGES	18
ARTICLE 17: JOB POSTING	18
ARTICLE 18: EMPLOYEE BENEFITS AND PENSION PLAN	19
ARTICLE 19: SAVINGS CLAUSE	20
ARTICLE 20: DURATION	21
APPENDIX "A"	22
APPENDIX "B"	23
LETTER OF UNDERSTANDING NO. 1	24
LETTER OF UNDERSTANDING NO. 2	25

COLLECTIVE AGREEMENT

BY AND BETWEEN:

CONECO EQUIPMENT (A DIVISION OF KCL WEST HOLDINGS INC.)

(hereinafter referred to as the "Company")

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

(hereinafter referred to as the "Union")

ARTICLE 1: OBJECTS

1.01 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.

The purpose of this Agreement is to establish conditions which will result in quality services. The parties to this Agreement are committed to customer service and the success of the Company in the marketplace.

ARTICLE 2: BARGAINING AGENCY

2.01 The Company recognizes the Union is the sole bargaining agent for employees of Coneco Equipment (Division of KCL West Holdings Inc.), Fort St. John and Fort Nelson, B.C. in a bargaining unit comprised of employees except office and sales staff.

2.02 This Agreement shall be binding on the Company and the Union and on each employee.

2.03 It is recognized that from time to time, supervisors and office personnel will perform bargaining unit work and by the same token, bargaining unit personnel will have to perform management duties. All of this is done in the interest of providing maximum customer service.

ARTICLE 3: UNION SECURITY

3.01 UNION SECURITY: - 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.

- 3.02 CHECK-OFF: - 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 check-off; i.e., if the check-off for that month has not been remitted to the Union, it shall be added to that check-off; if that month's check-off has been remitted, it shall be added to the following month's check-off and shown as the previous month worked.
- 3.03 AMOUNTS DEDUCTED: - Union dues deducted under this provision or other check-off provisions shall be remitted to the Union not later than the fifteenth of the month following the month in which such check-off applies.

ARTICLE 4: MANAGEMENT RIGHTS

The Union recognizes and agrees that:

- 4.01 The management and operation of the plant and the direction of the working forces are vested exclusively in the Company.
- 4.02 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.
- 4.03 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.

ARTICLE 5: DEFINITION OF EMPLOYEE

- 5.01 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 Labour Relations Code of British Columbia.

ARTICLE 6: HOURS OF WORK AND OVERTIME

- 6.01 DAY SHIFT: - The standard work day shall consist of eight (8) hours, 8:00 a.m. to 4:30 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.

- 6.02 AFTERNOON SHIFT: - 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.

- 6.03 NIGHT SHIFT: - 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.
- 6.04 LUNCH PERIOD: - Each shift shall have a one-half (1/2) hour lunch period at mid-shift.
- 6.05 SHIFT CHANGE: - The Company shall give the employee forty-eight (48) hours' notice prior to changing of shifts.
- 6.06 There shall be a fifteen (15) minute paid rest period in the first half of each shift and a fifteen (15) minute paid rest period in the second half of each shift.
- 6.07 WORK DAY - GUARANTEED: - An employee who reports for work at the start of the standard work day shall be guaranteed full pay for the balance of that day provided the employee is available for work.
- 6.08 OVERTIME: - 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 shall be paid at double time (2x) the regular rate.
- 6.09 REST BETWEEN SHIFTS: - 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.

6.10 REPORTING PAY AND CALL-OUTS:

- (a) A full-time employee reporting for work on his regular shift shall receive a minimum of eight (8) hours' pay at his regular rate.
- (b) A service employee called to work on a Saturday, a Sunday or on a General Holiday, (or days observed as General Holidays), shall receive a minimum of four (4) hours' pay at the applicable overtime rates.

Service employees who carry a pager on the weekend or general holiday will be paid \$25.00 per day and \$35.00 per call-out, plus a four (4) hour pension contribution will be made per call-out. This standby will be on a rotating basis.

- (c) ***Parts employees/Shipper Receiver will be compensated for all parts call out on the following basis. For each call out after the regular shift, Monday to Sunday, parts employees shall receive seventy percent (70%) of the customer***

billed call out rate for each call out which will be substantiated along with a copy of a pick-pack.

- 1. Employees who fill parts orders shall not be required to stay for the four (4) hours if called out under the provisions of Article 6.10(b).***
- 2. Standby/call-out will be done on a rotational basis. Parts employees/Shipper Receiver designated to standby for call-out shall receive thirty dollars (\$30.00) per day for Weekends/Holidays, only if there are no call-outs that day plus 2 hours into the pension for each call-out.***

(d) The provisions of this Section shall not apply if an employee voluntarily quits or is laid off, or is discharged for proper cause.

6.11 OVERTIME VOLUNTARY

All overtime shall be on a voluntary basis. It is agreed that overtime may be necessary in order to respond to the efficient operation and service requirements of the business.

6.12 BANKING OF OVERTIME

Employees may bank overtime for use during absences from work that would not be paid, such as sick days; doctor appointments, time off for employees without accrued vacation entitlement and operational slow down. In the case of a financial emergency, an employee may request a payout of banked overtime, which will be paid out at overtime rates and paid on regular payroll.

Banked time will be earned on the basis of two (2) hours for every one (1) hour of overtime worked and one and one-half (1-1/2) hours for overtime travel hour, with no maximum for banking. Banked time will be paid out twice annually; 1st pay cheque in June and 1st pay cheque in December.

Withdrawal of banked overtime or time off for banked overtime must have prior supervisory personnel written approval and the withdrawals should be at reasonable intervals. Any use of banked overtime, other than for the intent stated above, will not be permitted.

Requests for withdrawal of banked overtime used for time off during June or July must be made prior to May 15th. This time must be in eight (8) hour blocks and all other banked time will be paid out on June payout.

ARTICLE 7: GRIEVANCE PROCEDURE

7.01 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:

STEP 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.

STEP 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.

STEP C - If an agreement is not reached under the provisions of Step B above, upon mutual agreement between the Union and the Company and at any time prior to the appointment of an Arbitration Board, or other body, another party may be requested to confer with the Union and the Company to assist in the settlement of any difference arising from an alleged violation on this Agreement. Within ten (10) days of appointment, the selected party will make inquiries which it considers adequate and will submit in writing recommendations for settlement of the difference which will not be binding upon either the Union or the Company or detract from their privileges under this Agreement. All expenses incurred by the appointed party will be paid equally by the Union and the Company. The parties may agree that the recommendation rendered at this Step will be binding on both parties. If a solution is reached, this shall be final.

- 7.02 GRIEVANCE - TIME LIMIT: - Any discharged or suspended employee may, within seventy-two (72) hours of his discharge or suspension, (exclusive of Saturdays, Sundays and General Holidays) in writing, require the Company to give him the reasons for his discharge or suspension 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 or suspension of such an employee, only the reasons so set forth in writing, shall constitute cause.
- 7.03 SECTION 87 (1): - Grievances pertaining to discharge and suspension will not be processed under Section 87 (1) of the Labour Relations Code of British Columbia unless there is mutual agreement between the parties.

ARTICLE 8: ARBITRATION

- 8.01 If the procedures set forth in Section 7.01, Step A and Step B 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 or where mutually agreed a single arbitrator [reference (c)(i)] appointed as follows:
- (a) 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.
 - (b) The Party receiving the notice shall within five (5) days appoint a member for the Board and notify the other party of its appointment.
 - (c) The two (2) 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 Minister of Labour of British Columbia to appoint such third member.

- (i) A single Arbitrator shall be mutually appointed and agreed to by the Parties. Where the Parties fail to agree on the Arbitrator within three (3) days, the dispute shall be referred to the Arbitration Board of three (3) persons.
 - (d) 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.
- 8.02 The Arbitration Board shall have jurisdiction and authority to interpret and apply the provisions of this Agreement insofar as it may be necessary to the determination of a grievance referred to the Arbitration Board, but shall not have the jurisdiction and authority to alter or amend any of the provisions of this Agreement nor make any decision inconsistent therewith.
- 8.03 The Arbitration Board shall have the right to modify any penalty imposed by the Company on an employee.
- 8.04 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.
- 8.05 The expenses and remuneration of the Chairman shall be paid by the parties in equal shares.
- 8.06 Without restricting the specific powers hereinbefore mentioned, the Arbitration Board shall have all the general powers of an Arbitration Board.

ARTICLE 9: SENIORITY

- 9.01 SENIORITY LIST: - 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.
- 9.02 PROBATIONARY PERIOD: - When a new employee is hired, it is agreed that he shall be on probation for sixty (60) 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. Probation may be extended where mutually agreed to by the parties.
- 9.03 EMPLOYEE - RE-EMPLOYMENT: - An employee re-entering the employ of the Company within twelve (12) months after his right to recall has expired shall not be subject to another probation period.
- 9.04 LAY-OFFS: - 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.

If layoffs occur, providing a senior man is capable of performing another job, he shall be given the opportunity to take such a job.

If lay-offs are to take place out of seniority, the Company will discuss the matter with the Union during the forty-eight (48) hour notice period. If no agreement can be reached, the lay-offs will occur and the matter referred to the grievance procedure.

9.05 SENIORITY RETENTION:

- (a) A laid-off employee shall retain his seniority and recall rights with the Company for the following periods:

Period of Seniority

Less than 60 months	12 months retention
60 months and over	18 months retention

- (b) 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.

9.06 RECALL: - 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 contact laid-off employees either personally, by mail or through the Union dispatcher at the address or at the telephone numbers supplied by the employee. It shall be the responsibility of the employee to keep the Company and the Union informed of his current address and telephone number while laid-off.

Employee must return to work within two (2) working days of receiving recall notice unless unable due to unavoidable circumstances.

ARTICLE 10: VACATIONS

10.01 Employees will receive vacations and be paid for the vacation in accordance with the following Schedule:

<u>YEARS OF CONTINUOUS SERVICE</u>	<u>VACATION PERIOD</u>	<u>VACATION PAY</u>
Less than one year	1 day for each major fraction of month worked (max. 10 working days)	4 1/2%
1 year but less than 2 years	2 weeks	4 1/2% or 80 hours*
2 years but less than 7 years	3 weeks	6 1/2% or 120 hours*
7 years but less than 15 years	4 weeks	8 1/2% or 160 hours*
15 years but less than 20 years	5 weeks	10 1/2% or 200 hours*
20 years but less than 25 years	6 weeks	12 1/2% or 240 hours*
25 years but less than 30 years	7 weeks	14 1/2% or 280 hours*
30 years and over	8 weeks	16 1/2% or 320 hours*

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

10.02 Vacations shall be scheduled according to the Company's operating needs and will, to the extent practical, consider the personal preferences of employees.

10.03 CALENDAR YEAR: - 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 earned a minimum of fifteen hundred (1500) hours for which wages are payable 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, four and one-half percent (4 1/2%), six and one-half percent (6 1/2%), eight and one-half percent (8 1/2%) , ten and one-half percent (10 1/2%) , twelve and one-half percent (12 1/2%), fourteen and one-half percent (14 1/2%) or sixteen and one-half percent (16 1/2%) of their gross earnings for the work year immediately preceding the vacation period.

10.04 VACATION PAY ON TERMINATION: - In the event of termination of service with the Company after an employee had his vacation he earned for the previous year, he shall receive as vacation pay four and one-half percent (4 1/2%), six and one-half percent (6 1/2%), eight and one-half percent (8 1/2%), ten and one-half percent (10 1/2%), twelve and one-half percent (12 1/2%), fourteen and one-half percent (14 1/2%) or sixteen and one-half percent (16 1/2%) 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.

10.05 VACATION PAY - STATEMENT OF: - 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 payments, 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.

10.06 VACATION PERIOD: - If an employee so requests, the Company will provide three (3) weeks of the employee's vacation time in the summer months (May 15th to September 15th). If a dispute arises, vacation periods will be allocated on the basis of seniority.

The Company will consider four (4) weeks' vacation during the summer months for those employees eligible for five (5) weeks, or more vacation, if so requested.

10.07 VACATION ENTITLEMENT: - 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.

(i.e. - An employee who reached his second (2nd) anniversary on October 1st would be entitled to one (1) week's vacation at that time plus two (2) weeks' vacation in the ensuing vacation period or he could save his newly achieved vacation time and take three (3) weeks' vacation in the ensuing vacation period).

10.08 VACATION - ANNIVERSARY DATE AND CUT-OFF DATE: - An employee's anniversary of employment date will govern his attainment of vacation entitlement. His vacation pay and time off will be adjusted from his anniversary date to the cut-off date.

The Company may establish a vacation cut-off date.

10.09 VACATIONS - SCHEDULE CHANGE: - 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.

10.10 VACATIONS - REQUIREMENT TO TAKE: - Each employee shall be required to take the full annual holiday period that he is entitled to under the provisions of this Agreement.

10.11 VACATION ENTITLEMENT - RELATED TO STATUTES: - 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.

10.12 VACATION ENTITLEMENT:

Eligibility for vacations shall be maintained, but not accumulated during absence:

- (a) due to temporary illness or non-occupational accident exceeding twenty-six (26) weeks;
- (b) with authorized leave of absence;
- (c) due to layoff without recall, for a period not to exceed twelve (12) calendar months.

10.13 Eligibility for vacations will be maintained and accumulated during absence due to:

- (a) a compensable accident;
- (b) serving in the non-permanent Armed Forces of Canada;
- (c) temporary illness or non-occupational accident not exceeding twenty-six (26) weeks.

ARTICLE 11: GENERAL HOLIDAYS

11.01 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 an employee's weekly day off. The designated General Holidays shall be:

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

11.02 GENERAL HOLIDAY - SATURDAY AND SUNDAY: - 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.

11.03 GENERAL HOLIDAY PAY WILL BE PAID: - Without limiting the general application of section 11.01, but subject to the provisos contained herein, General Holiday pay provisions will prevail:

- (a) Where an employee is off work due to any circumstance 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.
- (b) 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.
- (c) 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.
- (d) 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.

11.04 GENERAL HOLIDAY - DURING VACATION: - 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.

11.05 The Company shall have the option of providing an alternate day(s) for those employees required to work Heritage Day and/or Easter Monday to provide customer service. The alternate day shall, by mutual agreement, be either the last working day prior to the holiday or the Friday following the holiday.

ARTICLE 12: WAGES

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

12.02 PAY STATEMENT: - 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.

12.03 TIME SLIPS: - An employee shall be required, on Company time, to fill out time slips, service reports and job or work reports daily.

12.04 CONSTRUCTION RATES:

- (a) Construction rates of pay shall be paid to employees to 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.
- (b) Construction rates shall not apply to service calls, inspection calls, warranty work and delivery jobs.

12.05 ACCIDENTS - PAY TO EMPLOYEES: - 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.

12.06 WAGE RATE - HIGHEST DAILY RATE: - Where an employee works in a higher hourly wage classification, he shall be paid the higher rate for the hours worked in such classification.

ARTICLE 13: TRAVEL TIME - TRANSPORTATION - EXPENSES

- 13.01 (a)
- (i) Travel time during the employee's regular shift hours, Monday to Friday inclusive, will be paid for at straight time.
 - (ii) Travel time authorized by the Company or the customer, outside the employee's regular shift hours, Monday to Friday, will be paid for at time and one-half up to a maximum of eight (8) hours in any twenty-four (24) hour period.
 - (iii) All travel time for Saturday and Sunday and any holiday will be paid for at time and one-half to a maximum of eight (8) hours in any twenty-four (24) hour period.
 - (iv) The exception to this provision would be where first class sleeping accommodation is provided. In this instance, time would cease at 9:00 p.m., and commence at 8:00 a.m., the next day.
 - (v)
 - a) Travel time at time and one-half rates shall be paid outside the regular hours of work for those employees travelling in Company or rented trucks or cars. This provision shall not apply when an employee is travelling by a public carrier or to and from a public carrier. While an employee is travelling by public carrier as defined under (b) he shall be paid at straight time rates only.
 - b) Public carriers shall be defined as follows: buses, taxis, aircraft, trains, boats and any vehicle licensed to transport passengers and operated by a licensed operator (exclusive of Company trucks or cars mentioned in (v) (a) preceding).

Buses, aircraft or boats that may be chartered or purchased by the Company to transport employees shall be licensed to transport passengers and operated by an operator holding a current appropriate license to do so.

Travel time by employees outside the regular shift hours under (v) (b) preceding shall be at time and one-half, as defined in (ii), (iii) and (iv).

- (b) 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.
- (c) Travel time will attract **following premiums:**
- **Shift premiums**
 - **Lead hand**
 - **Charge hand**
 - **Pension**
 - **Field Service Premium**

13.02 All designated Field Mechanics must be fully equipped when reporting for work. Field Mechanic's gear must cover needs for a minimum of two (2) days service in the field, unless given one (1) day's advance notice; then the minimum requirement is one (1) week.

13.03 No travel time will be paid to designated Field Mechanics to return to residence for personal items or gear, unless the Field Mechanic has complied with the requirements of Article 13.02 above.

13.04 In the greater metropolitan area of Fort St. John, mechanics will be paid at the mechanic's regular rate of pay to travel to the customer's job site and return.

The greater metropolitan area of Fort St. John is defined as the Fort St. John, Fort St. John proper, Charlie Lake, Taylor area.

13.05 In the interest of safety, the Company will not expect mechanics to travel after they have travelled to and worked at the job site for longer than twelve (12) consecutive hours. Therefore, mechanics will be allowed to accommodate themselves in a reasonably priced hotel/motel for the night and return the following morning. Reasonable receipted expenses, including hotel, to be claimed for reimbursement.

13.06 The Company shall pay straight time rates, one way for all non-apprentice training outside the regular hours of work.

Travel expenses paid by the Company will be for public carrier fares or the standard corporate rate per kilometre; however, the employee gets to the training session.

In addition, normal expenses such as hotel and meals will be paid according to standard expense procedures.

- (a) Bargaining unit employees will be permitted to use their vehicles for work purposes upon request. They must verify that they have adequate insurance coverage prior to doing so.

Where employees use their own vehicle, a payment of **\$0.37/km** will be paid.

Note: I.C.B.C. permits and insured motorist: "Without rerating it may also be used on not more than six days, in total, in a calendar month to drive any distance to or from work or school, or for business purposes or delivery of goods."

ARTICLE 14: LEAVE OF ABSENCE

14.01 UNION SERVICE:

- (a) 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.
- (b) No employee who acts within the scope of this sub-section shall lose his job or be discriminated against for so acting.

14.02 LEAVE OF ABSENCE DUE TO INJURY:

- (a) When an 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 to a maximum of two (2) years on L.T.D.I. or Workers' Compensation.
- (b) 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.

14.03 LEAVE OF ABSENCE - APPLICATION FOR: - 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.

14.04 LEAVE OF ABSENCE - OTHER EMPLOYMENT DISALLOWED: - 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.

ARTICLE 15: GENERAL PROVISIONS

15.01 INJURY REPORT: - 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 that department on returning to work.

15.02 WASHROOM FACILITIES: - Adequate washroom facilities will be provided by the Company and kept in sanitary condition. Employees will cooperate by observing the simple rules of cleanliness.

15.03 SAFETY CLOTHING: - The Company will provide the following:

- Rubber clothes
- Rubber boots
- Welders' gloves
- Welders' aprons
- Goggles
- Helmets of a reasonable fit and a reasonable quantity as a tool crib item for shop, yard and field use
- Hard hats for job use where required.
- Glasses: Each employee required to wear prescription glasses shall be reimbursed by the Company for the cost of replacement glasses, to be paid on a separate cheque, upon producing a receipt, up to a maximum as follows:

May 1, 2003	\$165.00
May 1, 2004	\$170.00
May 1, 2005	\$175.00

15.04 PROTECTIVE CLOTHING: - The Company shall supply protective clothing when employees are engaged in cleaning equipment.

15.05 WATERLESS HAND CLEANER: - Waterless hand cleaner shall be supplied at all mechanical operations covered by this Agreement.

15.06 COVERALLS: -

- (a) All employees required to wear coveralls or smocks shall have these supplied and cleaned by the Company at no expense to the employees involved. Any smock or set of coveralls supplied, shall be of the proper size to fit the employee. There shall be at least three (3) changes available each week to the employees involved, and field servicemen going out on calls shall have several extra sets of coveralls to take with them when they go out on such calls.
- (b) All service trucks shall be supplied with insulated coveralls for winter conditions, ***quality of coveralls shall be such as to provide protection in cold climate conditions. Not to exceed \$300.00 will be replaced when deemed necessary. For use only on Company business.***

15.07 LUNCH ROOM: - The Company will supply suitably enclosed heated accommodation where employees may have their lunch. Lockers for personal storage shall be provided.

15.08 CLEAN-UP: - 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.

15.09 SHOP TEMPERATURE: - With the co-operation of employees, the Company will attempt to maintain shop temperature above 50 degrees Fahrenheit (10 degrees Celsius) during cold weather. The Company agrees not to require its employees to perform outside repair work in temperatures below -20 degrees Fahrenheit (-29 degrees Celsius), 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 cooperation between employees and the Company. Employees will not arbitrarily stop work without advising their supervisors.

15.10 SHOP STEWARD:

- (a) The Union may elect or appoint a Shop Steward or Shop Stewards to represent the employees and the Union shall notify the Company as to the name or names of such Shop Steward or Shop Stewards. 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 lay off or 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 purpose 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.

15.12 NOTICE BOARD:

- (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:
 - 1 - Seniority List;
 - 2 - Copy of the Agreement;
 - 3 - Welfare Plan Provisions.

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

15.13 SEVERANCE AND LAY-OFF PAY:

- (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 lay-off 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 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 an 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.

- 15.14 (a) SAFETY BOOT ALLOWANCE: - All employees requiring safety boots will receive an annual Safety Boot Allowance upon producing a receipt, as follows:

May 1, 2003	\$155.00
May 1, 2004	\$160.00
May 1, 2005	\$165.00

Employees with less than 12 months' service prior to May 1st of each calendar year shall receive a portion of the above allowance pro-rated to the number of full months employed with the Company.

- (b) FELT PACK: - All regular Field Service Mechanics or those who become regular Field Service Mechanics or those who work outside of premises on a regular basis shall qualify November 1st each year for **one hundred twenty-five dollars (\$125.00)** for Felt Packs (winter boots).

- 15.15 TOOL INSURANCE: ***The Company shall repair air tools/power tools agreed to have been worn or damaged as a result of work at Coneco. Air tool repair not to exceed 75% of new retail value. Should air tool repair exceed 75% of new retail, Coneco will pay up to 75% of new retail toward replacement of air tool. Limit of one air tool per employee per year. Drill bits, taps, dies: provided the service man provides a bit, tap or die that was broken on the job, the Company will provide a replacement at no charge. Repair cost of all other serviceman's hand tools are the employee's***

responsibility except where tool is damaged by a necessary misapplication or modification as directed by management. The company shall pay the cost of the employee's torque wench calibration when necessary.

- 15.16 TOOL ALLOWANCE: - Journeymen Mechanics with twelve (12) months' service shall receive a tool allowance upon producing receipts, to be paid on a separate cheque as follows:

May 1, 2003	\$380.00
May 1, 2004	\$390.00
May 1, 2005	\$400.00

Apprentice Mechanics having a set of tools comprising eighty percent (80%) of the value of an average Journeyman Mechanic's kit, shall also qualify for such allowance.

Welders with a minimum tool list as mutually agreed by the parties shall receive **30% of Journeyman Mechanic tool rates.**

Journeymen Mechanics and Apprentice Mechanics with less than twelve (12) months' service prior to May 1st of each calendar year shall receive a portion of the above allowance pro-rated to the number of full months employed with the Company.

15.17 BEREAVEMENT PAY

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, brother, sister, children, mother-in-law, father-in-law, grandparents and grandchildren. 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.

15.18 JURY DUTY

- (a) 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 tests 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.
- (b) When an employee returns from serving on jury duty or from participating as a witness, he will be returned to the job held prior to serving.
- (c) 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 Subsection. 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.

15.19 PICKET LINE: - 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.

ARTICLE 16: TECHNOLOGICAL OR PROCEDURE CHANGES

16.01 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.

The Company agrees to work with the Union and with Canada Manpower in order to arrange for training of employees whose jobs no longer exist as a result of automation or a substantial change in job content, but whose seniority entitles them to continued employment. Such employees shall have the choice of taking the training provided or of accepting a lay-off.

ARTICLE 17: JOB POSTING

17.01 JOB POSTING:

- (a) In the event that a new full-time job is created or a full-time vacancy occurs and such positions are expected to continue for more than three (3) months, the Company shall post a notice on the bulletin board notifying that a vacancy exists in a particular job.
- (b) Employees desiring such job shall then apply, in writing, within thirty-six (36) hours of such posting.
- (c) The employee may leave on file in advance of absences such as vacation periods, a written application for positions which he may be interested in should there be a posting in his absence.

17.02 AWARDING OF POSTED POSITIONS: - Selection of employees who are qualified for posted positions shall be based on the employee's qualifications, skill and efficiency. These factors being equal, the selection shall be made according to seniority.

17.03 NEW JOB CLASSIFICATION:

- (a) When a new job classification is introduced which is not included in the list of classifications in Appendix "A", the Company and the Union shall promptly negotiate a wage rate for such classification.

- (b) 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.
- (c) 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.
- (d) The job classification of Working Charge Hand will be established. The wage rate will be ten percent (10%) above the Journeyman's rate.

A Charge Hand is an employee assigned to instruct others in the performance of their work and is held responsible for the quality and quantity of the work.

POSITION DESCRIPTION: WORKING CHARGE HAND

A Charge Hand is an employee assigned to instruct others in the performance of their work and is held responsible for the quality and quantity of the work.

RESPONSIBILITIES:

- assigns work to crew on a daily basis,
- ensures a safe work environment,
- monitors work-in-progress to ensure that all jobs are completed in a timely and safe manner,
- answers and follows-up on customer phone enquiries,
- opens work orders,
- maintains shop tools and equipment,
- prepares job quotations and estimates,
- ensures time cards, work orders, service reports, etc. are being completed properly and in a timely manner for approval by Service Supervisor,
- assists mechanics with on-going service problems,
- works with crew within the confines of the collective agreement,
- performs mechanical work as time permits,
- other responsibilities as assigned by the Service Supervisor.

QUALIFICATIONS:

- previous successful supervisory experience
- certified Heavy Duty Mechanic
- strong inter-personal skills
- customer-oriented

ARTICLE 18: EMPLOYEE BENEFITS AND PENSION PLAN

18.01 The Company agrees to maintain its existing Employee Benefit Plans and cost-sharing arrangements for the duration of this Agreement. The Company may change the carriers of these Plans if the benefit coverage provided the employee is at least equal to his current coverage and premium costs are not higher than those of the current carrier.

The Company agrees to eyeglasses for immediate family members to a maximum of two hundred dollars (\$200.00) every two years.

18.02 B.C. Medical - Upon completion of probationary period, the Company will pay the full premium cost for B.C. Medical Care Insurance for full-time employees. The Company agrees so long as B.C. Medical Services allows this to be done.

18.03 Pension Plan - The Company shall make contributions per straight time hour worked to each employee within the scope of this Agreement, to the Operating Engineers' Pension Plan, as follows:

<i>May 1, 2003</i>	<i>\$4.25</i>
<i>May 1, 2004</i>	<i>\$4.50</i>
<i>May 1, 2005</i>	<i>\$4.75</i>

18.04 Dental - 100% basic, 50% Crowns, Bridges, Dentures - maximum \$1,000.00 per year. 50% Orthodontia - maximum \$1,750.00 lifetime.

18.05 Long Term Disability - The Employer agrees to provide an employee paid Long Term Disability Plan.

18.06 Sick Leave - The Company will grant sick leave credits up to a maximum of three (3) days' pay for an employee to cover off the waiting period of an employee going on short term disability.

ARTICLE 19: SAVINGS CLAUSE

19.01 No employee, who prior to the date of this Agreement was receiving more than the rate of wages as set out in the Schedule(s) attached hereto or working less hours than stipulated in this Agreement, shall suffer a reduction of wages or increase in hours worked per week because of the adoption of this Agreement.

19.02 Nothing herein contained shall preclude higher wages being paid to employees of special ability.

19.03 If any Article or section of this Agreement should be held invalid by operation of law or by a tribunal of competent jurisdiction, or if compliance with or enforcement of any Article or Section should be restrained by such tribunal, pending a final determination as to its validity, the remainder of this Agreement or the application of such Article or Section to persons or circumstances other than those as to which it has been held invalid, or as to which compliance with or enforcement of has been restrained, shall not be affected thereby.

19.04 In the event that any Article or Section is held invalid or enforcement of or compliance with which has been restrained, as above set forth, the parties affected thereby shall enter into immediate collective bargaining negotiations, upon the request of the Union, for the purpose of arriving at a mutually satisfactory replacement for such Article or Section during the period of invalidity or restraint. If the parties do not agree on a mutually satisfactory replacement, they shall submit the dispute to the Grievance Procedure.

ARTICLE 20: DURATION

- 20.01 This Agreement shall be in full force and effect from and including May 1st, **2003**, to and including April 30th, **2006**, 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 April 30th, **2006**, 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.
- 20.02 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.
- 20.03 By agreement of the Parties hereto, the provisions of Section 50 (2) and (3) of the Labour Relations Code of British Columbia are specifically excluded.

Signed this _____ day of _____, 2003.

CONECO EQUIPMENT INC.
(A DIVISION OF KCL WEST HOLDINGS INC.)

INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL 115

APPENDIX "A"

Classifications	Hourly Wage Rates					
	May 1/03	Nov. 1/03	May 1/04	Nov. 1/04	May 1/05	
Mechanic	- Ticketed	\$26.75	\$27.08	\$27.42	\$27.76	\$28.11
	- Non-Ticketed	25.62	25.93	26.26	26.58	26.92
Field Service Premium	2.00	2.00	2.00	2.00	2.00	
Welder	- Ticketed	26.75	27.08	27.42	27.76	28.11
	- Non-Ticketed	25.62	25.93	26.26	26.58	26.92
Partsperson	- Ticketed	22.77	23.45	24.15	24.76	25.37
	- Non-Ticketed	21.16	21.80	22.45	23.01	23.59
Shipper/Receiver	19.60	20.19	20.80	21.32	21.85	
Labourer	14.89	15.07	15.26	15.45	15.64	
Track Press Operator	16.98	17.19	17.41	17.63	17.85	

Charge Hand: To receive an additional ten percent (10%) above highest paid Journeyman under his supervision (exclusive of premiums).

APPENDIX "B"

APPRENTICES

- (a) Apprentices employed by the Company may be indentured to the Operating Engineers' Apprenticeship Plan in accordance with the provisions of the Operating Engineers' Apprenticeship Plan.
- (b) A ratio of one (1) Apprentice shall be allowed for each two (2) Journeymen. This will not replace any journeymen mechanics.
- (c) Registered Apprentices who, as a requirement of their Apprenticeship, attend school, shall be paid regular wages based on a forty (40) hour week once each calendar year while attending school, less the Government grant. The Parties hereby agree that apprentices indentured to the said Apprenticeship program are required to pass all prescribed courses in order to be paid as per Appendix "B" of the Master Agreement. If the Apprentice passes their course with a mark of 75% or greater then they shall receive full top up. If the Apprentice passes with a mark of 74.9% or less then they shall only receive two (2) weeks of top up.
- (d) An Apprentice having served his required time and having passed any necessary examinations will automatically be classified as a Journeyman.

- (e) Indentured Apprentice Scale:

1st 6 months	50% of Journeyman rate
After 6 months	55% of Journeyman rate
After 12 months	60% of Journeyman rate
After 18 months	65% of Journeyman rate
After 24 months	70% of Journeyman rate
After 30 months	80% of Journeyman rate
After 36 months	90% of Journeyman rate
After 42 months	95% of Journeyman rate
After 48 months	100% of Journeyman rate

Coneco to pay tuition fees incurred. To be paid one time only per period.

- (f) An Apprentice shall not receive further percentage increments without having passed the required training modules and having served his required time on the job.

LETTER OF UNDERSTANDING NO. 1

By and Between:

CONECO EQUIPMENT INC. (A DIVISION OF KCL WEST HOLDINGS INC.)

And:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

WITNESSETH: that the Parties hereto agree as follows:

This Letter of Understanding will confirm that the Company is prepared to designate a portion of an employee's regular salary, two thousand five hundred dollars (\$2,500.00) as an employee travel benefit.

It will be the sole responsibility of each employee to ensure compliance with the requirements of the Income Tax Act to enable the employee to deduct the maximum travel costs allowable. The annual T4 slips will report the value of this travel benefit.

Signed this _____ day of _____, 2003.

CONECO EQUIPMENT INC.
(A DIVISION OF KCL WEST HOLDINGS INC.)

INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL 115

LETTER OF UNDERSTANDING NO. 2

By and Between:

CONECO EQUIPMENT INC. (A DIVISION OF KCL WEST HOLDINGS INC.)

And:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

Re: Article 18.03 and Article 6.07

The undersigned Parties agree as follows:

The Company shall make pension contributions, retroactive to January 1st, 1998, for travel hours incurred during the standard eight (8) hour work day.

The Parties further agree that the Company shall continue to do so in the future.

Signed this _____ day of _____, 2003.

CONECO EQUIPMENT INC.
(A DIVISION OF KCL WEST HOLDINGS INC.)

INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL 115
