

ARTICLE 1 - BARGAINING AGENCY AND RECOGNITION

Section 1

The Company recognizes the Union as the sole and exclusive bargaining agency for its employees as described in the current certification issued by the British Columbia Department of Labour for the purpose of collective bargaining with respect to rates of pay, hours of employment, and other conditions of employment.

Section 2

Employees whose regular jobs are not in the bargaining unit will not work on any jobs which are included in the bargaining unit, except for the purpose of instruction and experimentation or in emergencies when regular employees are not available.

ARTICLE 2 - DEFINITION OF EMPLOYEE

Section 1

The term "employee" as used in and for the purpose of this Agreement shall include all employees of the Company at and from the Company's premises.

Section 2

The foregoing Section of this Article shall not apply to those employees excluded by the Labour Relations Act.

Section 3

Words imparting the masculine gender shall include the feminine.

ARTICLE 3 - MANAGEMENT

Section 1

Management rights, unless expressly limited by this Agreement, are reserved to and are vested exclusively in the Company; provided, however, that this Article will not be used in a discriminatory manner against any employee or group of employees.

ARTICLE 4 - UNION SECURITY AND RECOGNITION

Section 1

The Employer agrees that all employees covered under this Agreement as a condition of employment, shall, within thirty (30) days from the effective date of this Agreement, become and remain members of the Union.

Section 2

The Employer further agrees that all new employees hired subsequent to the effective date of this Agreement, shall as a condition of employment within ninety (90) days from

the date of employment, become and remain members of the Union.

Section 3

a) The Employer agrees to deduct from the pay of each employee, such union dues, fees and assessments as prescribed by the Union and to transmit the monies so collected to the Union, once monthly.

b) Cheques shall be made payable to the United Steelworkers of America, Local 9705. Until further notice from the Union, all cheques shall be forwarded as following, together with a completed summary of Union Dues (Form R115, U.S.W.A.) to:

United Steelworkers of America, Local 9705
#1 - 825 Spokane Street
Trail, BC VIR 3W4

c) The Employer agrees to print the amount of total deductions paid by each employee for the previous calendar year on their income tax T-4 form.

ARTICLE 5 -- HOURS OF WORK

Section 1

Day Shift - The standard workday will consist of eight (8) hours, worked between the hours of 7:00 a.m. and 3:30 p.m., with a designated twenty-five (25) minute lunch period.

Section 2

Afternoon Shift - If an afternoon shift is employed, the standard work shift shall be eight (8) hours, worked between the hours of 3:00 and 11:00 pm with a designated lunch period of twenty-five (25) minutes included in the eight (8) hours, Monday to Friday, inclusive. Shift differential shall be fifty cents (\$.50) per hour for afternoon shift and night shift.

Section 3

Change of start and stop times - By mutual agreement between the Company and the Union, the regular starting and stopping times of standard work shifts may be changed.

Section 4

Regular week - Five consecutive days, between Monday and Friday, both days inclusive, or Tuesday and Saturday, both days inclusive will constitute a regular weeks work on all shifts.

Section 5

Work performed on scheduled days off or Statutory Holidays:

a) After a minimum of 40 hours and if management consents overtime rates will be paid for work performed on scheduled days off as per Article 5, Section 6. Work performed on Statutory Holidays will be paid as per Article 6.

Section 6

a) Overtime - Daily

Overtime will be paid at one and one-half (1-1/2) times the hourly rate for the first three (3) hours and double (2X) for all hours after that.

b) Overtime - Voluntary. The parties are agreed that all overtime will be voluntary, except when deemed as an emergency. This may be overruled in the case of sickness or injury problems.

c) Overtime Distribution. Overtime will be distributed among the employees in a particular job classification who have signified voluntarily that they will work overtime. The Company will prepare a list, which will be posted of such employees, commencing with the most senior employee. Employees should not be called in to perform work outside their job classification, except when there are not employees in that job classification available to do the work. The only exception to the above will be that when an employee starts a job, he must have first opportunity to complete it.

d) At the employee's option, banked time, equivalent to the overtime rate, may be taken in lieu of overtime pay. Such banked time will be taken at a time mutually agreed upon.

Section 7

Rest Between Shifts. Employees will have eight (8) hours rest between shifts. In the event an employee is recalled to work before such eight (8) hours elapse, he will be considered as still working on his previous shift and will be paid the appropriate premium rate for the hours worked.

Section 8

Work Before Regular Shift. Employees called in before their regular starting time will be paid overtime rates for time worked prior to their regular starting time except when other arrangements are made by mutual agreement between the Company and the Union Plant Committee.

Section 9

Lunch Period. The mid-shift lunch period will be mutually arranged between the Company and the Union. If employees are required to work during the mid-shift lunch period, they will be given an alternate lunch period but not more than five (5) hours from the shift start time.

Section 10

The employer will not expand its workforce until all employees as at the date of this agreement are working an eight (8) hour day. After an expansion of the workforce, only the most recently hired employee or employees should work any less than an eight (8) hour day.

The provisions of this section will not apply in the case of shutdown necessitated by emergencies beyond the control of the Company, or if the employee:

- 1) Voluntarily quits
- 2) Was previously instructed not to report. In such event or circumstances, the employee will then only be paid for the actual time he worked;
- 3) Does not work a full shift at his own request;
- 4) Reports for work on a shift for which he was not scheduled.

Section 11

Call Time. Employees recalled to work after leaving the premises of the Company, after completion of their regular shift, will be paid overtime rates for all hours worked with a guaranteed minimum payment of two (2) hours.

Section 12

Work Shortage - Crew Reduction. In the event of a work shortage or a reduction or discontinuance of operations, the Company shall discuss with the Union for the purpose of considering shortening the working hours and/or working week as an alternative to laying off employees.

Section 13

The Employer shall maximize an employee's hours and shifts in order of seniority by first offering and assigning the longest shifts and/or the most hours in a day or a week to employees having the most seniority, provided they have the ability to do the work concerned.

ARTICLE 6 -- STATUTORY HOLIDAYS

Section 1

a) All employees covered by this Agreement shall receive eight (8) hours pay at their regular straight time rates for each of the following statutory holidays not worked. All work performed on a statutory holiday will be paid at time and a half (1-1/2), plus straight time rates.

- | | |
|------------------|-------------------------------|
| 1. New Years Day | 6. Labour Day |
| 2. Good Friday | 7. Thanksgiving Day |
| 3. B.C. Day | 8. Remembrance Day |
| 4. Victoria Day | 9. Christmas Day |
| 5. Dominion Day | 10. Boxing Day |
| | 11. Two (2) floating holidays |

b) Payment for any of the holidays above stipulated shall not be voided should such holiday(s) fall on a Saturday or a Sunday. A holiday falling on a Saturday or a Sunday will be observed on the immediately following Monday or preceding Friday.

- c) Should any of the above holidays occur during an employee's vacation period, he shall be given an extra days vacation with pay for each holiday.
- d) In order to qualify for eight (8) hours pay for the above statutory holiday(s), the employee must have completed thirty (30) calendar days employment with the Company.
- e) Employees must work the day before and the day after a statutory holiday or they will not be entitled to be paid for the statutory holiday. The only exceptions will be if management grants leave on the day before, or the day after a statutory holiday or illness is proven.
- f) Statutory Holidays may be moved to a different day of the same week by mutual agreement between the parties.
- g) The two (2) floating holidays shall be taken, or paid out, at the employee's option.

ARTICLE 7 - VACATIONS WITH PAY

Section 1

All employees having less than one (1) years service with the Company shall be covered by the terms and provisions of the Annual Holidays Act of the province of British Columbia.

Section 2

All employees with one (1) years service with the Company shall receive two (2) weeks annual vacation at four (4%) percent of the employees classified rate of pay per annum.

Section 3

All employees with five (5) years service with the Company shall receive three (3) weeks annual vacation at six (6%) percent of the employees classified rate of pay per annum.

Section 4

All employees with ten (10) or more years service with the Company shall receive four (4) annual vacation at seven percent (7%) of the employee's classified rate of pay per annum. It is agreed only three (3) of these weeks may be taken consecutively unless approved otherwise by the Employer.

Section 5

Vacation Schedule. The Company agrees to schedule vacations by May 1st of each year with a vacation sheet posted on the bulletin board on April 1st of each year. Vacations shall be scheduled in accordance with employees preference where possible. When two (2) or more employees request the same vacation periods and it is not possible for the Company to schedule all the vacations, then seniority shall govern.

Vacations may be split where possible.

Section 6

Vacation Pay - When Payable. Vacation pay is payable upon a pay date of mutual agreement. The amount of the vacation payment will relate directly to the portion of the vacation time entitlement which is being taken at that particular time.

Section 7

Vacation Pay on Termination- Employees who leave the employ of the Company will be paid vacation pay at the percentage applicable to earnings with respect to the period commencing from the previous holiday pay period to the date of retirement or termination.

Section 8

Carry-Over of Vacation Pay – An employee may carry over any unused vacation pay, at his option, to the next vacation year. It is understood, however, that vacation entitlement must be taken in the year it was earned, unless it is agreed to otherwise by mutual consent.

ARTICLE 8 -- SENIORITY

Section 1

There shall be one type of seniority, namely Company seniority.

Section 2

Company seniority is an employee's length of continuous service from the last date of hire.

Section 3

Application of Company Seniority - In all cases of promotion to fill a vacancy other than promotions of a temporary nature (two weeks or less), Company seniority shall apply, providing the employee has the physical capability and the ability to do the job.

A promotion occurs when an employee is moved to a higher paying classification under Appendix "A".

Section 4

Notice of all vacancies in a Company will be posted for three (3) working days and shall be filled in accordance with the principles established in Article 8, Section 1 and Article 8, Section 3.

Section 5

In all cases of transfer, layoff, and recall, Company seniority shall be the determining factor provided the employee has the physical capability and the basic skills to do the job, provided that an employee may not "bump" a higher-rated employee in

order to avoid layoff.

Section 6

Seniority of each employee covered by the Agreement shall be established after a probationary period of ninety (90) calendar days and shall count from date of employment. The employment of a probationary employee may be discontinued by the Company at its discretion during this probationary period.

Section 7

Seniority shall be maintained and accumulated during the absence due to:

- a) Layoff (see exception 8.08(d));
- b) Authorized leave of absence;
- c) Proven sickness or non-compensable accidents;
- d) Compensable accidents.

Section 8

An employee shall lose his seniority standing and his name shall be removed from all seniority lists for any of the following reasons:

- a. If an employee voluntarily quits;
- b. If an employee is discharged for just cause and is not reinstated in accordance with the provisions of this Agreement;
- c. If an employee is laid off and fails to return to work within three (3) days of the date he receives either a phone call or written notice, unless due to proven sickness or accident, such sickness or accident must be substantiated by medical evidence. It is the employee's responsibility to inform the Company of his address. The Company will notify the employee by return mail.
- d. If an employee is on layoff for lack of work for a period of more than seven (7) consecutive months.

Section 9

Seniority Lists - The Company will post seniority lists showing the seniority dates of all employees as to Company seniority. These lists will be posted as soon as possible after the effective date of this Agreement and will be brought up to date every two (2) months. Copies of the lists will be given to the Union.

Section 10

Employees laid off due to a curtailment of operations shall be called back in order of their Company seniority, provided such employees can do the work which is available.

Section 11

If it becomes necessary to lay off an employee(s), the Employer shall give written notice, or pay in lieu of notice, as follows:

- a. Two (2) weeks notice for employees who have worked at least six (6) consecutive months;
- b. Three (3) weeks notice for employees who have worked three (3) consecutive years and increased by one (1) week per year of employment up to a maximum of eight (8) weeks.
- c. Termination of employment before the required notice time shall result in pay-in-lieu of notice for the remainder of notice period.

Section 12

In the event of a predicted work shortage, the Company agrees to post a notice on the shop bulletin board advising the employees of a pending layoff.

Section 13

Notwithstanding this Article 8, for purposes of transfer, layoff and recall, and maximizing hours under Article 5.13, employees shall exercise their seniority in their primary trade.

Section 14

An employee who is recalled may decline such work in accordance with the following:

If an employee declines work, which the employee is informed may be of less than ten (10) working days, the employee's subsequent right of recall to work expected to be of a longer duration shall not be jeopardized. The Company shall, however, be under no obligation to recall such employee to further temporary work, as defined in this subsection, unless the employee notifies a Company representative, by letter, of his subsequent availability for temporary work.

ARTICLE 9 -- GENERAL PROVISIONS

Section 1

Bulletin Board - The Company agrees to extend to the Union the use of a bulletin board, provided that the use of such bulletin board shall be restricted to the posting thereon only of such notices as referred to in Article 9, Section 2.

Section 2

The following types of notices may be posted:

- a) Notices of Union recreational and social affairs;
- b) Notices of Union elections, results of elections, and Union appointments;
- c) Notices of Union meetings or of any other similar business of the Union.

Section 3

Notices - Between Company and Union. Any notices required to be given to the

Company under the terms of this Agreement will be given by mail addressed to Beaver Falls Machining Ltd., Montrose, BC Any notice to be given to the Union under the terms of this Agreement shall be given by mail to the United Steelworkers of America, Local 9705, 1 825 Spokane Street, Trail, BC VIR 3W4

Section 4

Union Access to Plant - Representatives of the Union may have access to the Company's premises after obtaining the permission of the Company's management. Such permission will not be withheld.

Section 5

Jury Duty - If an employee is summoned or subpoenaed for jury selection or for jury duty, the Company will grant the employee leave of absence.

On any day when an employee is called but not chosen for duty, he must return to work for the balance of the shift. He must supply the Company with a statement of the time reporting and release when not chosen for duty and an official statement of payment for duty.

Section 6

In the case of death in the immediate family of any employee, the Company will grant him one (1) days leave of absence with pay and five (5) days leave of absence without pay if he attends the funeral. "Immediate family" will mean parents, parents-in-law, wife, husband, and children. Additional unpaid leave shall not be unreasonably denied.

Any employee shall be granted one (1) day compassionate leave of absence with pay to attend the funeral of a brother, sister, or grandparent(s).

Section 7

The Company agrees to advise the Shop Steward, if available, prior to discharging, laying off, transferring, promoting or demoting any employee.

Section 8

The Union shall advise the Company in writing forthwith after the signing of this Agreement, the names of the Union officer, stewards, and committee members. The Union shall notify the Company in writing forthwith of every change in the membership of the Shop Committee.

Section 9

The employees will have access to lockers and showers after working hours.

ARTICLE 10 -- SAFETY AND HEALTH

Section 1

- a. The Company agrees that it is the responsibility of the Company to make adequate

provision for the safety and health of the employees during the hours of their employment.

- b. The Union and the employees agree to cooperate fully with the Company on all matters of safety and health.

Section 2

If an employee is injured on the job, the Company will maintain his normal daily earnings for the day of injury.

Section 3

Provisions of Article 10, Section 4 shall become effective when the Company has an employee workforce of ten (10) or more employees.

Section 4

It is mutually agreed that a Safety Committee consisting of two (2) employees selected by the Union will meet with a management representative(s) monthly or as required by either party. Minutes of such meetings will be posted on the Notice Board and a copy sent to the Workers' Compensation Board and the Union. Plant tours will take place with representatives from the Union Safety Committee and Management representatives once a month, or as required by either party.

Section 5

The Employer agrees to pay fifty percent (50%) of the cost of one pair of work boots per year and fifty percent (50%) for four pairs of coveralls per year.

ARTICLE 11 - GRIEVANCE PROCEDURE

Section 1

Should a dispute arise between the Company and any employee or employees 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, an earnest effort shall be made to settle the dispute in the following manner:

Section 2

Stage 1 - The employee or employees concerned, in person, with or without his or their Shop Steward in attendance, shall first seek to settle the dispute with his or their immediate supervisor. Failing settlement, the dispute shall be submitted in writing by the Shop Steward to the immediate supervisor.

All grievances shall be submitted to the Company within thirty (30) working days of the alleged violation, or the event giving rise to the dispute, or the grievance will be considered abandoned.

Section 3

Stage 2 - Failing a satisfactory settlement within seven (7) days after the dispute was submitted in writing under stage 1, the Grievance Committee of the Union, which shall consist of not more than four (4) members and an International Representative of the Union, may submit the dispute to the Plant Manager or his accredited representative.

Section 4

Stage 3 - Failing a satisfactory settlement within seven (7) days after the dispute was submitted under Stage 2, the Union may, on giving seven (7) days notice in writing to the Company of their intention, refer the dispute to a Board of Arbitration.

Section 5

If dispute (a) is not submitted in writing under Stage 1 within thirty (30) days of the time the dispute arose, or (b) is not advanced to the next stage under Stages 2 or 3 within seven (7) days after a decision was made or should have been made, then the dispute shall be deemed to be abandoned and all rights of recourse to the dispute shall be deemed to be abandoned, and all rights of recourse to the dispute procedure shall be at an end unless it is mutually agreed to extend the time limits.

Saturdays, Sundays and Statutory Holidays shall not be counted in determining the time within which any action must be taken under any of the foregoing stages.

Section 6

- a) In the case of grievances involving the dismissal or suspension of an employee, Stage 1 of the Grievance Procedure may be omitted.
- b) Grievances of a general or group nature may be initiated at Stage 2, Clause 11.03 on submission of the grievance to the Company by the Grievance Committee or a Union representative.
- c) Company grievances may be initiated at Stage 2, Clause 11.03 by submission of the grievance to the Local or International Representative of the Union.
- d) Nothing contained in this procedure shall prohibit any employee from discussing his personal complaint (other than one which has been written up as a grievance in Stage 1) with the Foreman or other Representatives of the Company.

Section 7

The time spent in investigating and settling disputes, necessitating authorized loss of time by employees delegated by the Union for that purpose, shall be considered as time worked and payment shall be on the basis of straight time. Under no conditions shall punitive rates be paid. The time to be paid for under this paragraph shall be limited to ten (10) hours per month.

Section 8

In the meantime and in all cases, while disputes are being investigated and settled, the employee(s) and all other parties involved, except an employee who has been laid off or who is serving a disciplinary suspension must continue to work until a final decision has

been reached, but where an employee(s) has been discharged by the Company, he or they shall not remain in the employ of the Company while his or their case is being investigated and settled.

ARTICLE 12 -- ARBITRATION

Section 1

Either party may, within thirty (30) calendar days upon the completion of Step 3 of the Grievance Procedure outlined in Article 11, notify the other party in writing of its desire to submit to arbitration, an unsettled grievance relating to the interpretation, application, administration or alleged violation of this Agreement, including any question as to whether the matter is arbitrable.

Section 2

Within seven (7) days following such notice, the parties will mutually agree upon an arbitrator.

Section 3

The arbitrator shall hear and determine the difference or allegation and shall, within a maximum of ninety (90) days following arbitration, render his decision.

Section 4

The parties will jointly bear the costs of the arbitrator. Each of the parties will bear the expenses of the witnesses called by it. No costs of arbitration shall be awarded to or against either party.

Section 5

Where possible, arbitration proceedings will be expedited by the parties and the parties agree that they will select one arbitrator, in order of rotation from the following panel of arbitrators:

1. Joan Gordon
2. Ron Keras

Section 6

At arbitration, the parties may have the assistance of the employee or employees concerned and any necessary witnesses and all reasonable arrangements will be made to permit the conferring parties to have access to the plant to view the operations in question and to confer with the necessary witnesses.

Section 7

The decision of the Arbitrator shall be final and binding on both parties. Each party shall pay their own expenses incurred in connection with the presentation and preparation of its own case. The parties shall bear the expenses of the arbitrator equally.

Section 8

Except where provided otherwise by statute, the parties agree to abide by the provisions of Article 11 and Article 12 as the means of resolving any difference which may arise during

the term of this Agreement, all employees will continue to work as usual without curtailment or restriction of normal production and the Company shall not lock out the employees.

ARTICLE 13 -- DISCHARGE AND DISCIPLINE

Section 1

Should it become necessary to discuss with an employee a matter which could result in discipline action being taken, such discussion will be conducted in private. At the employee's option, either a Shop Steward or a member of the Union Executive shall be present.

Section 2

If it is agreed or decided at any stage of the Grievance Procedure or arbitration that an employee has been suspended or discharged without just cause, the Company will reinstate him in the job without loss of seniority. A reinstated employee is to be paid his wages at his regular rate for the time lost limited to a maximum of the employee's regular number of hours per week, less amounts earned during the time lost.

Section 3

If the discharge or suspension grievance is taken to arbitration as provided herein, the Arbitrator may:

- a. Sustain the discharge or suspension;
- b. Reinstatement the employee with such compensation as the Arbitrator deems necessary. It is understood that if an employee is reinstated, he shall retain his full seniority.

ARTICLE 14 -- LEAVE OF ABSENCE WITHOUT PAY

Section 1

Leave to Attend Union Gatherings. Employees who have been elected or appointed by the Union to attend International, National or Local gatherings may be granted leave of

absence without pay for this purpose. Only one (1) employee may take such leave at one time and he must give the Company ten (10) working days notice in writing. This notice must be confirmed by the Union. Leave will not exceed three (3) weeks, plus reasonable travel time. The Company may extend similar privileges under the same conditions to a second employee for the same period of time provided no dislocation of operations could result.

Section 2

Leave for Union Business:

a) The Company will grant an employee leave of absence without pay up to one (1) year to work for the Local or International Union. The employee must request the leave of absence in writing and the Union must approve it. This leave may be extended for additional periods at the request of the Union. One month's notice in writing must be given prior to requesting this leave.

b) Provided no dislocation of operations will ensue, the Company may permit not more than two (2) employees to be on leave under this Section at any one time, but in no instance will two such leaves be granted in any six (6) month period.

ARTICLE 15 -- LETTERS OF UNDERSTANDING

Section 1

Any Letter of Understanding between the Union and the Company will be inserted in this Article and will form an integral part of the Collective Agreement after being voted on by the membership.

ARTICLE 16 -- HEALTH AND WELFARE

Section 1

The employer agrees to pay seventy-five percent (75%) of Basic Medical Insurance coverage (M.S.P.) and fifty percent (50%) of Extended Health Benefits, Dental Coverage (M.S.A.), and Group Insurance for all employees employed by the Company who are eligible according to the terms of the insurance carriers.

The employees will pay, through payroll deduction, the remaining twenty-five percent (25%) of the premiums to M.S.P. and the remaining fifty percent (50%) of the premium to the appropriate insurance carriers.

Short Term Disability Benefits

Waiting period for short term benefits is as follows:

Accidental Injury 7 days
Disease 14 days

If you are hospitalized for at least twenty-four (24) hours prior to the last day of the waiting period for disease, benefits will begin on the day you are hospitalized.

Maximum benefit period 17 weeks

Amount: 66.67% of weekly earnings to a maximum of \$800.00 Any amount of STD Insurance over \$650.00 is subject to approval of evidence of insurability.

Long Term Disability Benefits

Waiting period 120 days

Amount: 66.67% of your monthly earnings to a maximum of \$3,500.00 or 85% of your pre-disability take-home pay, whichever is less. Any amount of LTD Insurance over \$2,900.00 is subject to approval of evidence of insurability.

Employees will pay the full premiums for short term disability benefits and long term disability benefits.

Benefit period 2 years

Section 2

The Employer will match the employees' monthly contributions to the Social Club.

ARTICLE 17 -- TERM OF AGREEMENT

This agreement shall become effective February 26, 2002 and shall remain in effect until and including September 30, 2003.

Where the parties are engaged in negotiations for a new collective agreement and no agreement is reached prior to the expiry of the of this Agreement, this Agreement shall remain in full force and effect until a new agreement is reached or until negotiations are discontinued by either party and a strike or lockout ensues.

**SIGNED ON BEHALF OF
BEAVER FALLS MACHINING:**

**SIGNED ON BEHALF OF THE
UNITED STEELWORKERS OF
AMERICA, LOCAL L9705**

APPENDIX "A" - WAGES

(Rates per Hour \$)

WAGE GRADE	JOB CLASSIFICATIONS	RATE PER HOUR May 1, 2002	RATE PER HOUR March 1, 2003
1	Sweeper, Labourer	\$10.21	\$10.51
2	Shop Helper	\$11.93	\$12.23
3	Punch Press, Drill Press Operator	\$12.75	\$13.05
4	Standard Machine Operator, Welder 3rd class	\$13.79	\$14.09
5	Advanced Machine Operator	\$14.81	\$15.11
6	Welder "B" Class Repairman	\$16.86	\$17.16
7	Welder "B" Class Advanced	\$17.89	\$18.19
8	Journeyman - Machinist, Fabricator - Welder "A" Class	\$20.45	\$20.75
8A	Journeyman - Machinist, Fabricator - Welder "A" Class Advanced	\$23.01	\$23.31
9	Special Journeyman	\$23.53	\$23.83
10	Special Journeyman - Lead Hand	\$25.17	\$25.47

Field Rate: An additional one dollar (\$1.00) per hour will be paid as a "field rate" to those employees working on a customer's work site. When working at a customer's site, start time and breaks will coincide with the customer's schedules and practices.

An additional fifty dollars (\$50.00) every two weeks will be paid to all employees. The employee will have the option to have the fifty dollars invested as an RRSP with Investors Group.

Shop Clean Up

Every Thursday, thirty (30) minutes will be allotted for shop clean up and organization of Equipment.

ADDENDUM "A" - JOB CLASSIFICATIONS

Section 1

The rates of pay and classification of jobs as set forth in this Wage Schedule may only be changed by agreement in writing of the parties to this Agreement.

All work done on a higher rate and classification for a minimum of four (4) hours shall receive the higher rate for that day.

Section 2

a) If any new job classifications are established or if there is a substantial change in the job content on any classification set forth in this Wage Schedule, or if any job classifications have been overlooked in this Wage Schedule, the parties agree to negotiate a rate for the jobs in question and where required, select a suitable job title.

b) If the parties are unable to reach agreement on the dispute, including a dispute as to whether or not there is substantial change in job content, the dispute (notwithstanding clause 3.03) shall be settled by arbitration under the provisions of Article 12 - Arbitration Procedure - mutatis mutandis and the decision of the arbitrators or a majority of them shall be final and binding on the parties to this Agreement.

This agreement shall be binding upon the parties hereto, jointly and severally, and upon their respective successors and assigns.

IN WITNESS WHEREOF Beaver Falls Machining Ltd., and the hereinbefore mentioned Local 9705 of the United Steelworkers of America have executed this Agreement on the 30th day of July 2001.

SIGNED:

BEAVER FALLS MACHINING

UNITED STEELWORKERS
OF AMERICA, LOCAL 9705

**Letter of Understanding #1
Tool List**

BETWEEN: **BEAVER FALLS MACHINING**
 (The "Employer")

AND: **UNITED STEELWORKERS OF AMERICA LOCAL 9705**
 (The "Union")

The employees agree that they will furnish themselves with the following list of tools:

- | | |
|--------------------------------------|-------------------------------------|
| 1 English tape measure - approx. 16' | 1 6" x 12" framing square |
| 1 Sliding T square E 12" ruler | 1 Chalk line |
| 1 Soap stone holder | 3/8" - 1" socket set |
| 10" crescent wrench | 8" vise grip |
| 2 pairs deep C vise clamps | 1 Torpedo level |
| Allen wrench set - inch | 3/8" - 1-1/4" open x Box Wrench Set |
| Tip Cleaner | Striker |
| Flash Light | 1 Ball pein hammer |
| Center punch | Razor knife |
| Scissors | Wire Brush |

Signed on behalf of:

BEAVER FALLS MACHINING LTD.

**UNITED STEELWORKERS OF
AMERICA, LOCAL 9705**

**Letter of Understanding #2
BANKING OF OVERTIME**

BETWEEN: BEAVER FALLS MACHINING
(The "Employer")

AND: UNITED STEELWORKERS OF AMERICA LOCAL 9705
(The "Union")

SUBJECT: BANKING OF OVERTIME

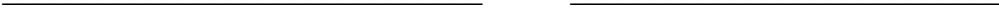
Employees will not be allowed to bank their overtime at straight time. All hours worked in excess of forty (40) hour work week will be paid as per Article 5, Section 6.

INTENDING TO BE LEGALLY BOUND, the Parties have executed this letter of Understanding on the 31st day of May, 2002.

Signed on behalf of:

BEAVER FALLS MACHINING LTD.

**UNITED STEELWORKERS OF
AMERICA, LOCAL 9705**



**Letter of Understanding #3
Ray Stein and Greg Stein
Performing Bargaining Unit Work**

BETWEEN:

BEAVER FALLS MACHINING

AND:

**UNITED STEELWORKERS OF AMERICA
LOCAL 9705**

SUBJECT:

**RAY STEIN AND GREG STEIN PERFORMING BARGAINING
UNIT WORK**

The Parties agree that Ray Stein and Greg Stein are excluded persons in the Bargaining Unit. As such, they shall continue to perform bargaining unit work provided, however, whenever overtime work becomes available then those employees in order of seniority, having the physical capability and the ability to perform the work in question, shall be given the option of working such overtime.

INTENDING TO BE LEGALLY BOUND, the Parties have executed this letter of Understanding on the 31st day of May, 2002.

Signed on behalf of:

BEAVER FALLS MACHINING LTD.

**UNITED STEELWORKERS OF
AMERICA, LOCAL 9705**

**Letter of Understanding #4
Wednesday to Sunday Shift**

BETWEEN:
BEAVER FALLS MACHINING

AND:
**UNITED STEELWORKERS OF AMERICA
LOCAL 9705**

SUBJECT: Wednesday to Sunday Shift

The Parties agree there may be circumstances where, in order to maintain or increase employment opportunities, a Wednesday to Sunday Shift schedule may be initiated. Such schedule may be cancelled by the Union upon sixty (60) days written notice

INTENDING TO BE LEGALLY BOUND, the Parties have executed this letter of Understanding on the 31st day of May, 2002.

Signed on behalf of:

BEAVER FALLS MACHINING LTD.

**UNITED STEELWORKERS OF
AMERICA, LOCAL 9705**

TABLE OF CONTENTS

ARTICLE 1 - BARGAINING AGENCY AND RECOGNITION	1
ARTICLE 2 - DEFINITION OF EMPLOYEE.....	1
ARTICLE 3 - MANAGEMENT	1
ARTICLE 4- UNION SECURITY AND RECOGNITION	1
ARTICLE 5 - HOURS OF WORK.....	2
ARTICLE 6 - STATUTORY HOLIDAYS	4
ARTICLE 7 - VACATIONS WITH PAY.....	5
ARTICLE 8 - SENIORITY	6
ARTICLE 9 - GENERAL PROVISIONS.....	7
ARTICLE 10 - SAFETY AND HEALTH.....	9
ARTICLE 11 - GRIEVANCE PROCEDURE	9
ARTICLE 12 - ARBITRATION	11
ARTICLE 13 - DISCHARGE AND DISCIPLINE	12
ARTICLE 14 - LEAVE OF ABSENCE WITHOUT PAY	13
ARTICLE 15 - LETTERS OF UNDERSTANDING.....	13
ARTICLE 16 - HEALTH AND WELFARE.....	13
ARTICLE 17 - TERMS OF AGREEMENT.....	15
APPENDIX A - WAGES	16
ADDENDUM A - JOB CLASSIFICATIONS.....	17
LETTER OF UNDERSTANDING #1 - TOOL LIST.....	18
LETTER OF UNDERSTANDING #2 - BANKING OF OVERTIME.....	19
LETTER OF UNDERSTANDING #3 - RAY STEIN AND GREG STEIN.....	20
LETTER OF UNDERSTANDING #4 - WEDNESDAY TO SUNDAY SHIFT.....	21