

AGREEMENT BETWEEN:

KAL TIRE
(COQUITLAM/RICHMOND)

and

INTERNATIONAL UNION OF OPERATING ENGINEERS
LOCAL 115

March 1, 2003 to February 29, 2008

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AGREEMENT

BY AND BETWEEN:

KAL TIRE

(hereinafter called the "Company")

PARTY OF THE FIRST PART

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

(hereinafter called the "Union")

PARTY OF THE SECOND PART

WITNESSETH: that the parties hereto agree as follows:

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.
- 1.02 ***For the purposes of this Collective Agreement, the masculine shall be considered to include the feminine and the singular to include the plural.***

ARTICLE 2: DURATION

This Agreement shall be in full force and effect from and including March 01, **2003** to and including February **29, 2008** 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 February **29, 2008**, or immediately preceding the anniversary date in any year thereafter, by written notice to the other party, require the other party to commence collective bargaining with a view to the conclusion of a renewal or revision of the Collective Agreement or a new Collective Agreement.

Should either party give written notice to the other party pursuant hereto, this Agreement shall thereafter continue in full force and effect until the Union shall give notice of strike, or the Company shall give notice of lockout or the parties shall conclude a renewal or revision of the Agreement or a new Collective Agreement.

The operation of Section 50 (4) of the Labour Relations Act of British Columbia is hereby excluded.

ARTICLE 3: DEFINITION OF EMPLOYEE

- 3.01 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 Industrial Relations Council of British Columbia.

ARTICLE 4: BARGAINING AGENCY

- 4.01 The Company recognizes the Union as the sole bargaining agent for those persons employed by the Company who are covered by the certificate of bargaining authority, and without detracting from the foregoing for those employees working at the classified occupations listed in Schedule "A" attached hereto, and for such other employees as may be assigned to new classifications coming within the bargaining unit.

- 4.02 This Agreement shall be binding on the Company and the Union and their respective successors, administrators, executors and assigns and shall apply to all employees of the Company engaged in the classifications listed in Schedule "A" hereof, and any classifications added thereto.

- 4.03 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 from the Union, discharge such employee forthwith.

- 4.04 Dues Checkoff:

The Company shall deduct from each new employee, an amount equal to the Union dues from the employee's first payroll cheque after completion of six (6) days of work in a calendar month, and add that employee's name and the said amount to the closest applicable checkoff, i.e., if the checkoff for that month has not been remitted to the Union, it shall be added to that checkoff; if the month's checkoff has been remitted, it shall be added to the following month's checkoff and shown as the previous month worked.

ARTICLE 5: HOURS OF WORK AND OVERTIME

- 5.01 Day Shift:

- (a) The standard work day for Recappers shall consist of eight (8) consecutive hours between 7:00 a.m. and 6:00 p.m., with a minimum half-hour lunch period. The standard work week shall consist of forty (40) hours, Monday, 7:00 a.m., to Friday, 6:00 p.m. Recappers shall have two (2) consecutive days off and Senior Recappers shall have first choice of the weekly work schedule they prefer to work.

- (b) The standard work day for the Tire Servicemen shall consist of eight (8) consecutive hours between 7:00 a.m. and 6:00 p.m., with a minimum half-hour lunch period. The standard work week shall consist of forty (40) hours, Monday, 7:00 a.m., to Friday, 6:00 p.m., or Tuesday, 7:00 a.m., to Saturday, 5:00 p.m. Tire Servicemen shall have two (2) consecutive days off and senior servicemen shall have first choice of the weekly work schedule they prefer to work.

Shift Variance:

- (c) Where it is agreed between the Company and the Union to vary the shift starting times, then a majority of the employees on the job shall decide the issue. A ballot vote shall be taken on the job under the supervision of the Company representative and a person designated by the Union.
- 5.02 Second Shift: If a second shift is employed, the hours of work shall be eight (8) hours per shift for which nine (9) hours will be paid and a shift premium of two percent (2%) shall be added on to the classified hourly rate.
- 5.03 Third Shift: If a third shift is employed, the hours of work shall be eight (8) hours per shift for which nine (9) hours will be paid and a shift premium of three and one-half percent (3-1/2%) shall be added on to the classified hourly rate.
- 5.04 Lunch Break: Each shift shall have a minimum half-hour lunch period at mid-shift.
- 5.05 Shift Notice: The Company shall give the employee forty-eight (48) hours' notice prior to changing of shifts.
- 5.06 Shift Transfer: When it is necessary for an employee to be transferred from day shift to an afternoon shift or graveyard shift, said shifts will continue for a minimum of three (3) consecutive normal working days, or the overtime rates as provided for in this Agreement will apply.
- 5.07 Call Out:
- Employees called back to work after their regular shift shall receive a minimum of two (2) hours' pay at double time rate.
- Employees called to work on Saturday, Sunday, General Holidays, or on an employee's day off, shall receive a minimum of three (3) hours' pay at the prevailing overtime rates.
- 5.08 Overtime:
- Time worked in excess of standard hours of work shall be considered as overtime and overtime rates of pay shall be paid as follows:
- (a) Time and one-half for the first two (2) hours after the regular shift and double time thereafter.
 - (b) Time and one-half for the sixth day up to a maximum of four (4) hours and double time thereafter.

- (c) Double time for all work performed on Sundays and all Government declared General Holidays. This double time is in addition to General Holiday pay.

5.09 Guaranteed Work Week:

An employee who reports for work at the start of his established work week shall be guaranteed five (5) full shifts of work for that week with a minimum pay of forty (40) hours at straight time rates. If an employee does not report at the start of his established work week, or if a new employee does not report at the beginning of the work week, then such employee shall receive the same guarantees as outlined above for that portion of the week which they work.

5.10 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 elapses, 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.

5.11 Accident at Work:

Employees involved in an accident while on the job shall receive eight (8) hours' pay 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.

- 5.12 (a) Overtime: All hours worked outside the standard hours and outside the established shift hours, shall be considered overtime and shall be paid for at the appropriate overtime rates.

(b) (i) Overtime Meal: Employees who work beyond ten (10) hours per day shall receive a maximum of one-half (1/2) hour's pay for time off to eat a meal, but may take up to forty-five (45) minutes off for such purpose. And further to this, if an employee feels that he requires additional time off, he will request such additional time from the foreman, and if the request is reasonable, the foreman shall grant same, and this break shall occur at the regular meal hour.

(ii) Meal Allowance: The meal allowance for the Greater Vancouver area will be a maximum of six dollars and fifty cents (\$6.50) for meals, and in the areas outside of Vancouver, the employees will buy a meal at the going rate of the area involved. In all cases, receipts shall be obtained and turned in to the Company with the amounts being justified by the prices in the areas involved.

- 5.13 Work Through Regular Lunch Period: Where an employee is required to work through the regular established lunch period, such employee shall be paid the applicable overtime rate and be allowed reasonable time off to consume a meal with no loss of pay.

- 5.14 Overtime Division: The Company will endeavour to divide the overtime as equally as possible between the employees subject to job classification.

ARTICLE 6: MANAGEMENT RIGHTS

The Union recognizes and agrees that:

6.01 The management and operation of the plant and the direction of the working forces are vested exclusively in the Company.

6.02 Hiring:

The Company has and shall retain the right to select its employees, to hire, classify, promote, demote or discipline them and discharge employees for proper cause, provided that a claim of discrimination against an employee in respect to any of these matters, or a claim of violation of any section or Article of this Agreement may be the subject of a grievance and be dealt with as hereinafter provided.

ARTICLE 7: GRIEVANCE PROCEDURE

7.01 The Company agrees that there shall be only one personnel file for each employee and that no report relating to the employee's conduct or performance may be used against him in the grievance procedure or arbitration unless such report is part of the file.

Day to day advice, direction and instruction, up to and including close supervision of an employee by Management does not constitute discipline.

All "verbal warnings" may become part of the employee's disciplinary record, subject to the grievance procedure, provided a copy is given to the employee within seventy-two (72) hours of such verbal warning being issued.

Any verbal warning notes which form part of an employee's file shall be invalid for uprose of any future discipline unless copies were given to the employee within seventy-two (72) hours of such warnings being issued.

No report may be placed in the personnel file or constitute a part thereof unless a copy of the said report is given to the employee and the Union within ten (10) days of the alleged infraction.

The employee has the right to reply in writing to such report and that reply shall become part of the employee's file.

The record of an employee shall not be used against him after eighteen (18) months following any adverse report provided no additional adverse reports are written in the eighteen (18) month period.

An employee shall have the right to review his personnel file.

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

- (a) The employee or the Union, together with such person or persons as he or the Union may wish, shall take the matter up with the Company within thirty (30) calendar days.
- (b) Should a solution not be reached by step (a), then a Business Representative of the Union, accompanied by the employee if the employee or Business Representative so wish, shall discuss the matter with the Company. If a solution is reached, this shall be final.
- (c) If the procedures set forth in (a) and (b) above, do not result in a solution being reached within seven (7) days of the first discussion between a Business Representative of the Union and a representative of the Company, or within such further period as the Company and the Union agree to in writing, the dispute shall be referred to an Arbitration Board of three (3) persons appointed as follows:
 - (i) 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.
 - (ii) The party receiving the notice shall within five (5) days, appoint a member for the Board and notify the other party of its appointment.
 - (iii) The two arbitrators so appointed, shall confer to select a third person to be chairman, and failing for three (3) days from the appointment of the second of them to agree upon a person willing to act, either of them may apply to the Honourable, the Minister of Labour of British Columbia, to appoint such third member. The Arbitration Board shall sit, hear the parties, settle the terms of the question to be arbitrated, and make its award within ten (10) days from the date of the appointment of the chairman, provided the parties may extend the time by agreement in writing.

If the Arbitration Board finds (or if at any earlier stage of the Grievance Procedure it is found), that an employee has been unjustly suspended or discharged, that employee shall be reinstated by the Company without loss of pay and with all his rights, benefits and privileges which he would have enjoyed if the suspension or discharge had not taken place, or if the Arbitration Board finds (or if at any earlier stage of the Grievance Procedure it is found) that an ex-employee should have been rehired, that ex-employee shall be employed by the Company and paid all pay which he would have enjoyed and accorded all rights, privileges and benefits which he would have enjoyed if he had been hired at the proper time provided that, if it is shown to the Board that the employee has been in receipt of wages during the period between discharge or suspension and reinstatement, or date of failure to rehire and rehiring, the amount so received shall be deducted from wages payable by the Company pursuant to this Article, less any expenses which the employee has incurred in order to earn the wages so deducted, AND PROVIDED THAT the Arbitration Board, if circumstances are established before it, which, in the opinion of the Arbitration Board, makes it just and equitable to do so, shall have authority to order the Company to pay less than the full amount of wages lost.

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

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

The expenses and remuneration of the chairman shall be paid by the parties in equal shares.

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

- (d) Any discharged employee may, within seventy-two (72) hours of his discharge, in writing, require the Company to give to him the reasons for his discharge and the Company will give such reasons to him, in writing, within seventy-two (72) hours of such request, and in the event of any dispute or difference as to whether or not there was proper cause for the discharge of an employee, only the reasons so set forth, in writing, shall constitute cause.

The twenty-four (24) hour periods in Saturdays, Sundays or General Holidays shall not be used as counting hours with regard to the seventy-two (72) hour time limit.

ARTICLE 8: SENIORITY

- 8.01 Seniority List: The Company shall at least once every six (6) months, post and keep posted, 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.
- 8.02 Probation Period: When a new employee is hired, it is agreed that he shall be on probation for **ninety (90)** 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.
- 8.03 Layoff: In the event of layoffs, seniority shall be recognized. The principle of last man on, first man off, shall prevail.
- 8.04 Layoff Notice: If layoffs occur, providing a senior man is capable of performing another job, he shall be given the opportunity to take such a job. The Company shall give at least forty-eight (48) hours' notice on layoffs. The forty-eight (48) hour periods in Saturdays, Sundays or General Holidays shall not be used as counting hours with regard to such layoff notice.
- 8.05 Promotions: When new jobs are available, wherever possible, the Company will promote employees to a better paying job; seniority, qualifications and ability to be considered.
- 8.06 Rehire: When vacancies occur, the Company shall rehire laid-off employees according to their seniority, and the principle of last man off, first man on, shall prevail. The Company shall make personal contact with laid-off employees.
- 8.07 (a) A laid-off employee shall retain his seniority and recall rights with the Company for the following periods:

Period of Seniority:

| | |
|---------------------|---------------------|
| Less than 12 months | 6 months retention |
| 12 months and over | 12 months retention |
| 60 months and over | 24 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 lay-off.

ARTICLE 9: VACATIONS

9.01 The Company shall give each employee an annual holiday which will be allocated on the basis of seniority and based on the following entitlement:

- (a) Upon completion of one (1) year and up to two (2) years as an employee, an employee shall receive two (2) weeks' vacation. He shall receive as vacation pay either eighty (80) hours' pay at his then applicable rate, or four percent (4%) of his annual gross earnings for the service year for which he is receiving his vacation, whichever is the greater.
- (b) Upon completion of two (2) years and up to seven (7) years as an employee, an employee shall receive three (3) weeks' vacation. He shall receive as vacation pay either one hundred and twenty (120) hours' pay at his then applicable rate, or six percent (6%) of his annual gross earnings for the service year for which he is receiving his vacation, whichever is the greater.
- (c) Upon completion of seven (7) years and up to fourteen (14) years as an employee, an employee shall receive four (4) weeks' vacation. He shall receive as vacation pay, either one hundred and sixty (160) hours' pay at his then applicable rate, or eight percent (8%) of his annual gross earnings for the service year for which he is receiving his vacation, whichever is the greater.
- (d) Upon completion of fourteen (14) years and up to twenty-two (22) years as an employee, an employee shall receive five (5) weeks' vacation. He shall receive as vacation pay either two hundred (200) hours' pay at his then applicable rate, or ten percent (10%) of his annual gross earnings for the service year for which he is receiving his vacation, whichever is the greater.
- (e) An employee shall receive six (6) weeks' vacation upon completion of a term of twenty-two (22) years' service and each year thereafter. He shall receive as vacation pay for each vacation period, either two hundred and forty (240) hours' pay at his then applicable current rate or twelve percent (12%) of his gross earnings for the work year immediately preceding the vacation period, whichever is the greater.
- (f) Vacation Pay on Termination: In the event an employee leaves the employ of the Company after he had his vacation he earned for the previous service year, he shall receive four percent (4%), six percent (6%), eight percent (8%), ten percent (10%) or twelve percent (12%), as the case may be, of his gross earnings for the portion of the service year in which he ends his employment for which no vacation pay has been paid.

- (g) In the event an employee leaves the employ of the Company before he is entitled to two (2) weeks' vacation, he shall receive four percent (4%) of the gross earnings he received while in the employ of the Company.
- (h) 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, orders or regulations made thereunder.
 - (i) 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 his anniversary date to anniversary date, he shall be eligible for vacation as described herein.

Employees who work less than fifteen hundred (1500) hours in their employee's calendar year shall be paid as the case may be, four percent (4%), six percent (6%), eight percent (8%), ten percent (10%) or twelve percent (12%) of their gross earnings for such employee's calendar year.

- 9.02 (a) Itemized Statement: Upon an employee's anniversary date, the company shall furnish the employee with a statement showing the total of the employees gross earnings for the year of service and how the vacation pay was calculated, i.e. on a percentage or hourly basis.

Where an employee is entitled to additional vacation pay, he shall be issued a cheque for the proportionate vacation pay at that time.

- (b) Eligibility: If an employee so requests the Company will provide two (2) weeks of an employee's vacation time in the summer months (June 15th to September 15th). If a dispute arises, vacation periods will be allocated on the basis of seniority only.

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

Those employees taking their vacations outside the prime time shall be entitled to take all vacations consecutively.

Those employees who do not take their vacations in the summer months as defined above but who take all of their vacation in December, January, February, March or April shall receive an additional one (1) week, also to be taken during this period based on forty (40) hours.

To qualify for the one (1) week company paid vacation, employees must be employed for one (1) year and have not taken any vacation in the previous seven (7) months (May - November).

A minimum of three (3) people shall be permitted to take vacation at the same time so long as the plant, on management's discretion, is not left deficient of the skilled people necessary to operate the plant.

- (c) Vacation Schedule: 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.

9.03 Eligibility Maintained:

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.

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

- (a) A compensable accident.
- (b) Temporary illness or non-occupational accident not exceeding twenty-six (26) weeks.
- (c) Due to layoff so long as the employee retains his right to recall.

ARTICLE 10: GENERAL HOLIDAY PAY

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

| | |
|----------------|------------------|
| New Year's Day | Labour Day |
| Good Friday | Thanksgiving Day |
| Empire Day | Remembrance Day |
| BC Day | Christmas Day |
| Dominion Day | Boxing Day |

and any such day as may be declared a public holiday by the Federal, Provincial or Local Municipal government. When a General Holiday falls on a Saturday or on a Sunday or on an employee's weekly day off, then the next work day shall be observed as the holiday. If Christmas Day and Boxing Day fall on a Saturday and on a Sunday respectively, or on an employee's weekly days off, then the next two (2) work days shall be observed as holidays.

- (b) Floating Holidays:

Each employee shall be entitled to two (2) floating holidays per calendar year with pay at the employee's current rate. The above mentioned floating holidays shall be taken at time mutually agreed to between each employee and the Company.

If the employee and the Company are unable to agree on the date, the decision shall be the Company's provided it is in conjunction with the employee's regular days off.

If an employee is laid off, terminates or quits before receiving his days off described herein, he shall be paid the days' pay in addition to all other monies to which he is entitled.

(c) General Holiday Eligibility:

Without limiting the general application of sub-section (a) of this section but subject to the provisos contained herein, General Holiday pay provisions will prevail:

- (i) Where an employee is off work due to any circumstances for which he is eligible to receive compensation under Workers' Compensation Act, provided such an employee has earned wages from the Company during the sixty (60) calendar days immediately preceding the holiday.
- (ii) Where an employee is off work due to sickness, quarantine or an accident provided such an employee has earned wages from the Company during the sixty (60) calendar days immediately preceding the holiday. If the Company so requests, a doctor's certificate shall be submitted as proof of disability.
- (iii) Where an employee is laid off or is on an approved leave of absence provided such an employee has earned wages from the Company during the two (2) calendar weeks immediately preceding the week in which the holiday occurs.
- (iv) Where an employee is off work due to a death in the immediate family or is acting as a juror or witness as provided elsewhere in this Agreement.

10.02 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.

ARTICLE 11: WAGES

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

11.02 Payment of Wages:

The Company shall, every second Thursday, pay to each employee all wages earned by the employee to a day not more than three (3) working days prior to the date of payment provided that if a General Holiday falls on the regular pay day, payment will be made the preceding day.

Payment of wages will be made during working hours. Where a payroll is not met within the prescribed time, and unless proper reasons for the delay are forthcoming, it shall not

be considered a violation of this Agreement for the employees to cease work until the wages are paid or other arrangements are made.

In the event that an employee is laid off, the Company shall pay such employee not later than the third (3rd) business day after he ceases to be an employee of the Company, all wages, salary, and holiday pay earned by such employee, excluding authorized deductions. Vacation pay shall also be paid upon the request of the employee.

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

11.03 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.

11.04 Time Slips: An employee shall be required to fill out time slips daily if the Company so requests.

11.05 Exchange Charges: Exchange charges within British Columbia will be added on to an employee's pay cheque or otherwise provided for by the Company.

11.06 Construction Wage Rates:

Employees who are assigned and/or hired or engaged for installation of machinery and equipment and/or repair of equipment through general contractors in conjunction with Building Trades Unions, shall receive the rates of wages of the Construction Agreement for the duration of that job.

11.07 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 12: TRANSPORTATION AND EXPENSES

12.01 Employees required to report for work outside the Vancouver area from whence they do not return daily and who travel by public conveyance, shall be paid for all travelling time required to travel to and from the job, plus all transportation, accommodation and meal expenses. If it is agreeable to the employee concerned to travel Saturdays, Sundays and holidays, it is understood that the rate of travelling time will be at time and one-half, and all hours spent travelling and/or working over eight (8) hours in any twenty-four (24) hour period will be considered overtime, and paid at the appropriate rates.

12.02 Work Outside City Limits: In going to work outside the limits of Vancouver and returning daily, men shall be at such city limits at the starting time and allowed time to return to such city limits at the close of the work day. They shall be paid all fares to and from the city limits to place of work, or alternatively, be supplied with transportation by the Company. It is understood that where employees reside in the city where the work is being done, they shall report to and finish work at the regular starting and stopping time.

Time spent travelling in a Company or customer vehicle is deemed to be time worked and shall be paid at the appropriate rates.

- 12.03 Private Vehicle: No employee shall be allowed to use his motor vehicle on Company business.
- 12.04 Overnight Premium: The Company shall pay a premium of twenty-five cents (25¢) per hour for all hours an employee is required to work when he is required to stay away from home overnight on Company business. This shall not apply when employees are attending training classes pertaining to their work.

ARTICLE 13: GENERAL PROVISIONS

- 13.01 First Aid 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.
- 13.02 Washroom: Adequate washroom facilities will be provided by the Company and kept in sanitary condition. Employees will co-operate by observing the simple rules of cleanliness.
- 13.03 Hand Cleaner: Waterless hand cleaner shall be supplied at all mechanical operations covered by this Agreement. Locations for the hand cleaner shall be mutually agreed to by the parties.
- 13.04 Clean-up Time: Employees shall be allowed ten (10) minutes personal clean-up time each shift, such time to precede the end of the shift.
- 13.05 (a) Coveralls: All employees required to wear overalls or smocks shall have these supplied and cleaned by the Company. Employees are expected to take reasonable care of clothing supplied. There shall be at least three (3) changes available each week in an employee's proper size. The cost of the above shall be borne by the Company. No reasonable requests for extra coveralls will be denied.
- (b) Glasses: The Employer will pay the full replacement cost of safety prescription lenses and frames, except for photograde and tinting, once per contract year per employee upon presentation of receipt and damaged lenses.
- (c) Boots: The Company will pay **one hundred and thirty dollars (\$130.00)** towards the purchase of safety shoes, once each year; upon presentation of a receipt. Half of the unused portion can be carried over to the next contract year up to a maximum of **sixty-five dollars (\$65.00)**. These shoes must be worn at work to be entitled to receive this allowance, as all employees are required to wear same.
- 13.06 Lunch Room: The Company will supply suitable accommodation where employees may have their lunch.
- 13.07 Coffee Breaks: An employee shall be granted two (2) fifteen (15) minute breaks during the course of each shift - one in each half of the shift.

13.08 Shop Steward:

- (a) The Union may select or appoint a Shop Steward or Shop Stewards to represent the employees, and the Union shall notify the Company as to the name or names of such Shop Steward or Stewards. The Company agrees that no Shop Steward shall suffer any discrimination by reason of holding such office.
- (b) When the Company finds it necessary to lay off or discharge a Shop Steward, the Business Representative of the Union shall be notified prior to such layoff or discharge.
- (c) Authorized agents of the Union shall have access to the Company's establishment during working hours for the purpose of adjusting disputes, investigating working conditions, and ascertaining that the Agreement is being adhered to in the operation, and shall request permission of Management upon entering the premises.
- (d) The Shop Steward shall be allowed reasonable time during working hours to carry out his duties after informing Management.

Any employee being reprimanded by the Company shall have the right to request that the Shop Steward be in attendance.

- 13.09 (a) 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.
- (b) It shall not be considered a violation of this Agreement for an employee to refuse to work with a non-union workman (or workmen).

13.10 **Benefits:**

Effective March 1, **2003**, the Company shall make contributions to the Operating Engineers' **Benefits** Plan at the rate of **one dollar and forty-five cents (\$1.45)** per hour for each hour for which wages are payable to employees covered by this Agreement.

Effective March 1, **2004**, the Company shall make contributions to the Operating Engineers' **Benefits** Plan at the rate of **one dollar and sixty cents (\$1.60)** per hour for each hour for which wages are payable to employees covered by this Agreement.

Effective March 1, **2005**, the Company shall make contributions to the Operating Engineers' **Benefits** Plan at the rate of **one dollar and seventy-five cents (\$1.75)** per hour for each hour for which wages are payable to employees covered by this Agreement.

Effective March 1, **2006**, the Company shall make contributions to the Operating Engineers' **Benefits** Plan at the rate of **one dollar and ninety cents (\$1.90)** per hour for each hour for which wages are payable to employees covered by this Agreement.

The Company shall make contributions for **Benefits** benefits based on the above mentioned rates per hour at one hundred and twenty-five (125) hours per month for those employees who are on Workers' Compensation or weekly indemnity benefits. While on

winter lay-off, when recall is likely, we will maintain coverage to a maximum of three (3) months and then it will be subject to management's discretion.

The Operating Engineers' **Benefits** Plan shall be controlled by a Board of Trustees composed of **eight (8) representatives designated by** the Union.

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

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

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

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

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

13.11 Bonding:

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

13.12 Layover and Standby Time:

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

13.13 Supervisors: No supervisors or office personnel will be allowed to use hand tools or carry out work which would be normally done by Union members, except in the instructing or training of employees.

13.14 (a) Tool Insurance:

The Company shall provide, at its expense, tool insurance coverage to each eligible employee in the amount of twenty thousand dollars (\$20,000.00) for all employees. The Company shall pay the replacement cost of an employee's personal tools which are made unusable through normal "wear and tear" and breakage on the job. The Company will supply a tool list upon request for the purpose of tool inventory. This shall be an All Risk policy.

(b) Tool Allowance:

All mechanics shall receive a tool allowance of one percent (1%) per hour for all hours worked which shall be added to their wage rate.

13.15 Sub-Contracting:

The sub-contracting out of work coming under the bargaining unit shall not be allowed unless:

- (a) None of the employees are qualified to perform this work;
- (b) Qualified persons are not obtainable from the Union.

13.16 Leave of Absence:

- (a) The Company shall allow time off work without pay for any man who is serving on a Union committee for the 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.

No employee who acts within the scope of the above paragraph shall lose his job or be discriminated against for so acting.

- (b) 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.

When an 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 adequate replacement may be made if necessary.

If an employee desires a leave of absence for reasons other than those referred to above, he must obtain permission, in writing for the same from the Company.

- (c) Maternity and Parental Leave:

Maternity and parental leave shall be granted without pay on the following terms:

- (i) Maternity Leave - eighteen (18) consecutive weeks.
- (ii) Parental Leave - twelve (12) consecutive weeks.
- (iii) Seniority shall be maintained and accumulated.
- (iv) A request must be made at least four (4) weeks in advance of such leave except where there is a medical emergency.
- (v) An employee's original position and applicable wage rate shall be made available upon his/her return. Where layoffs have occurred, then the employee shall return in accordance with the Seniority provisions.

13.17 Union Notices:

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, reserving to the Company the right to request the removal of material offensive to the Company.

The following information shall be kept in a central location, readily accessible to the Shop Steward. Any employee requiring information shall contact the Shop Steward for same;

- (a) Seniority List;
- (b) Copy of the Agreement;
- (c) **Benefits** Plan provisions.

13.18 Technological or Procedure Changes:

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

13.19 Job Posting, etc.:

In the event that a new job is created, a vacancy occurs, or new equipment is installed in the operation, the Company shall post a notice on the bulletin board notifying that a vacancy exists in a particular job. Employees desiring such job shall then apply, in writing, within thirty-six (36) hours of such posting, except that employees on vacation or out of town on work for the Company at such time shall have the privilege of applying when they return.

The senior employee applying who has the ability to do the job subject to the Technological or Procedure Changes section of this Agreement, shall receive such job.

- 13.20 (a) Bereavement Leave: In case of death in the immediate family, the employee affected shall be granted compassionate leave of absence with full pay for three (3) days. Immediate family means: husband, wife, mother, father, children, sister, brother, mother and father-in-law. In the case of sister and brother-in-law, grandparents and step-parents one (1) day leave of absence with pay shall be granted to attend the funeral or up to three (3) days with pay for making the actual funeral arrangements and attending of funeral.
- (b) Jury Duty: All time lost by an employee due to necessary attendance on jury duty or any court proceedings arising out of his employment, including acting 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.

If an employee is employed on an afternoon or graveyard shift and attends upon jury duty, or if an employee attending upon jury duty 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 as provided in this sub-section.

All jury duty pay received by an employee for the days he received pay from the Company shall be paid over to the Company.

13.21 Dismissed or Improper Charges:

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

13.22 Transfer:

When an employee agrees to a transfer the Company shall:

- (a) Allow reasonable living expenses to the transferred employee up to a maximum of thirty (30) days. Living expenses are to be discussed initially with the employee before departure and fifteen (15) days thereafter.
- (b) Pay the transferred employee's transportation costs to the new location and supply first class accommodation and meals to the employee while he is en route to the new location.
- (c) Assume the cost of moving the transferred employee's family and household goods to the new location. This shall include the cost of transporting and accommodating the family while en route to the new location.

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

13.23 Article Headings:

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

13.24 Truck Maintenance and Safety:

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

- (a) The Company shall not require employees to take out on the streets or highways any vehicle that is not in safe operating condition or equipped with safety equipment, seat belts, or stickers prescribed by law. It shall not be a violation of this Agreement where employees refuse to operate such equipment.
- (b) All trucks owned or leased by the Company must have steps or other similar devices to enable drivers to get in and out of the body for safety purposes.
- (c) It is agreed between the Company and the Union, having regard for the safety and driver health factor, that all vehicles shall have adequate heaters, windshield wipers, and defrosters installed.
- (d) It is mutually agreed that a form shall be supplied the driver on which to report defects in equipment with sufficient copies so that the driver may retain a copy and so that the head office of the Company will have a copy of this report on file.
- (e) When a driver reports a defect in equipment, he must tag or mark the vehicle involved in such a manner so that any other employee will notice the defective equipment. It shall be the Company's responsibility to supply tags or other marking devices. This tag to be left on the vehicle in order to show the work has been completed and shall be removed by the outgoing driver.
- (f) The Company shall not compel any driver to operate a vehicle which weighs in excess of the legal gross weight limits. Where a driver with the knowledge of the Company operates with an overload and is convicted, the Company shall be responsible for any fines involved. Drivers who of their own accord operate with an overload may be subject to discipline and responsible for their own fines.
- (g) The Company shall supply an adequate First Aid Kit for each service vehicle.
- (h) A Safety Committee shall be appointed with representation from all shifts and departments and meet once per month.

13.25 Safety Clothing: Where required, safety glasses, ear plugs, masks, rubber clothes, boots, hot mold gloves and gloves shall be supplied by the Company at no cost to the employee.

13.26 Sick Time:

Sick time means that period of time an employee is permitted to be absent from work with full pay by virtue of being sick or disabled.

Sick time shall accumulate from the first day of employment, at the rate of one (1) day per month of employment. The maximum number of sick days that an employee may accumulate shall be twelve (12) days. Sick days will be carried over from year to year, however, the total accumulated sick days shall not exceed twelve (12) sick days.

Sick time shall be granted on the following terms:

- (a) Dental visits shall be considered as sick time.
- (b) Sick pay will apply only if the employee is not entitled to funds from other plans (i.e. W.C.B., U.I.C., etc.)

- (c) A doctor's certificate must be presented to be eligible for sick pay, if requested by the Company for all illnesses over three (3) days.
- (d) Where an employee elects to undertake treatment for alcohol and/or drug problems, the employee shall be granted sick leave, with pay, with the Company's approval in accordance with this Agreement.
- (e) On request, the Company will indicate to an employee the number of sick day credits accumulated.

13.27 Any employee consuming alcoholic beverages during working hours or on his lunch hour of a working day may be dismissed.

13.28 Severance and Layoff 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 one (1) year's service with the Company, he shall be paid two (2) week's pay based on eighty (80) hours at his then applicable rate of pay. Such an employee may elect to accept layoff pay under the provisions of this section before the end of his right to recall period, but in so doing shall forfeit all seniority rights accruing to him under this Agreement, by reason of his term of service with the Company.
- (b) In the event of amalgamation, permanent closure of the plant, or a department thereof, or automation, causing an employee to lose his employment with the Company, the Company hereby agrees to pay severance pay to such an employee provided the employee has a minimum of one (1) year's 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.

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 a 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.

13.29 Pension Plan:

Effective March 1, **2003** the Company shall make contributions at the rate of **two dollars and fifteen cents (\$2.15)** per hour for which wages are payable hereunder to each employee within the scope of this Agreement to the Operating Engineers' Pension Plan.

Effective March 1, **2004**, this amount shall be increased by **five cents (5¢)** to **two dollars and twenty cents (\$2.20)**.

Effective March 1, **2005**, this amount shall be increased by **five cents (5¢)** to **two dollars and twenty-five cents (\$2.25)**.

Effective March 1, **2006**, this amount shall be increased by **five cents (5¢) to two dollars and thirty cents (\$2.30)**.

The Operating Engineers' Pension Plan shall be controlled by a Board of Trustees composed of **eight (8) representatives designated by** the Union.

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

The Company is required to report on the forms provided by the Pension Plan.

Contributions must be forwarded by the Company to the Operating Engineers' Pension Plan by the fifteenth (15th) day of the month following that which contributions cover.

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

The Business Representatives of the Union may inspect during regular business hours a Company's record of time worked by employees and contributions made to the Plan.

Payments to the Pension Plan shall be made by cheque, payable at par at the Municipality of Burnaby, Province of British Columbia, to the Operating Engineers' Pension Plan.

ARTICLE 14: SAVINGS CLAUSE

- 14.01 No employee, who prior to the date of this Agreement was receiving more than the rate of wages as set out in the Schedule 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.
- 14.02 Nothing herein contained shall preclude higher wages being paid to employees of special ability.
- 14.03 If the premium and/or contribution paid by the Company for any employee benefit is reduced or eliminated as a result of any legislative or other action, the amount of the saving shall be used to increase other benefits available to the employees, as may be mutually agreed between the parties, or shall be passed on to the employees in the form of increased wage or salary rates.
- 14.04 (a) 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.
- (b) 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.

Signed this _____ day of _____, **2003**.

KAL TIRE

INTERNATIONAL UNION OF OPERATING
ENGINEERS - LOCAL 115

SCHEDULE "A": CLASSIFICATIONS AND HOURLY WAGE RATES

| Classifications | Hourly Wage Rates | | | | |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | <i>Mar. 1, 2003</i> | <i>Mar. 1, 2004</i> | <i>Mar. 1, 2005</i> | <i>Mar. 1, 2006</i> | <i>Mar. 1, 2007</i> |
| Recapper | \$19.85 | \$20.25 | \$20.66 | \$21.08 | \$21.71 |
| Tire Serviceman | 19.83 | 20.23 | 20.64 | 21.06 | 21.69 |
| Truck Driver | 19.83 | 20.23 | 20.64 | 21.06 | 21.69 |
| Alignment Man/ Mechanic | 21.05 | 21.48 | 21.91 | 22.35 | 23.00 |
| Heavy Duty Suspension Man | 21.67 | 22.11 | 22.56 | 23.02 | 23.68 |
| Janitor | 18.12 | 18.49 | 18.86 | 19.24 | 19.83 |

A.01 Heavy Duty Suspension - Clarification:

The Company shall pay three and two-tenths percent (3.2%) per hour above the alignment rate for those employees working on highway tractor front ends.

A.02 Apprentices:

Tire Serviceman

| | |
|----------------|------------------------|
| 0 - 3 months | 70% of Journeyman rate |
| 3 - 6 months | 75% of Journeyman rate |
| 6 - 9 months | 80% of Journeyman rate |
| 9 - 12 months | 85% of Journeyman rate |
| 12 - 18 months | 90% of Journeyman rate |
| 18 - 24 months | 95% of Journeyman rate |
| 24+ months | Journeyman rate |

There shall be a maximum of one (1) Apprentice for each four (4) Journeymen employed by the Company.

It is agreed that each branch shall be allowed one (1) Apprentice regardless of the ratio requirements.

Apprentices who have graduated from a recognized Tire Service School shall start at the 80% rate.

The Apprentice rate only applies to employees who have had no previous experience in the tire industry.

Mechanical Apprentices: Four year apprenticeship

| | |
|------------------------------|--------------------------------------|
| <i>0 - 6 months</i> | <i>50% of Journeyman rate</i> |
| <i>7 - 12 months</i> | <i>55% of Journeyman rate</i> |
| <i>13 - 18 months</i> | <i>60% of Journeyman rate</i> |
| <i>19 - 24 months</i> | <i>65% of Journeyman rate</i> |
| <i>25 - 30 months</i> | <i>70% of Journeyman rate</i> |
| <i>31 - 36 months</i> | <i>75% of Journeyman rate</i> |
| <i>37 - 42 months</i> | <i>80% of Journeyman rate</i> |
| <i>43 - 48 months</i> | <i>90% of Journeyman rate</i> |
| <i>49 - 54 months</i> | <i>90% of Journeyman rate</i> |
| <i>55 - 60 months</i> | <i>90% of Journeyman rate</i> |
| <i>60+ months</i> | <i>Journeyman rate</i> |

There shall be a maximum of one (1) Apprentice for each Journeyman employed by the Company.

A mechanical apprentice who is hired by the Company will be paid at the rate of his previous experience.

A.03 First Aid Man:

When an employee is designated as First Aid Man by the Company he shall receive three percent (3%) per hour above his classification. The Company shall designate a first aid person for each shift.

A.04 Lead Hand:

When an employee is designated as a Lead Hand by the Company he shall receive five percent (5%) per hour above the highest classification under his supervision. A Lead Hand shall have six (6) or less employees under his supervision.

A.05 Charge Hand:

When an employee is designated as a Charge Hand by the Company he shall receive seven percent (7%) per hour above the highest classification under his supervision. A Charge Hand shall have seven (7) or more employees under his supervision.

A.06 New Job Classification:

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

Every effort will be made by the parties to conclude negotiations within thirty (30) days, but in any event, the rate established shall be retroactive to the day notice, in writing, is given by either party to commence negotiations.

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.

- A.07 Where an employee works in a higher hourly wage classification, he shall be paid the higher rate for the hours worked in such classification.
- A.08 Premiums payable as described herein for any employee designated as a First Aid Man, Lead Hand, or Charge Hand will be paid for the full shift worked by any such employee.

LETTER OF UNDERSTANDING #1

BY AND BETWEEN:

KAL TIRE (Coquitlam/Richmond)

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

RE: BANKED OVERTIME

1. It is agreed that overtime may be banked, employees shall state whether overtime is to be banked or paid at the beginning of each fiscal quarter. An employee may bank up to twenty (20) hours of overtime at double time, equivalent to forty (40) hours straight time maximum. **Retread Plant employees may bank up to forty (40) hours of overtime at double time, equivalent to eighty (80) hours straight time maximum.** All overtime worked thereafter shall be paid at the appropriate rate to said employee. The Letter of Understanding and banked overtime may be cancelled by either party upon ninety (90) days written notice. Banked overtime may only be taken at times acceptable to the Company. This may be taken for the full amount of banked time on consecutive full days. Banked overtime is definitely not to be taken in June to August holiday period unless acceptable to the Company. All unused banked overtime must be paid out at the end of the Company's fiscal year. That is, no banked time can be carried over a fiscal year end. The Company agrees to cooperate to use banked time to minimize lay-offs.
2. Time worked in advance and banked to be used to extend the Christmas break, (as has been the practice in the Coquitlam Retread Plant) will continue, subject to a simple majority indicated by ballot, for those employees involved. This time to be banked for this purpose only at the 1 to 1 rate, that is one (1) day worked (a Saturday) = extra day off with pay at straight time rate.

Signed this _____ day of _____, **2003.**

KAL TIRE

INTERNATIONAL UNION OF OPERATING
ENGINEERS - LOCAL 115

LETTER OF UNDERSTANDING #2

BY AND BETWEEN:

KAL TIRE (Coquitlam/Richmond)

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

RE: TEN HOUR SHIFT AT COMPANY'S DISCRETION

- (a) A shift schedule may be implemented which shall consist of four (4) consecutive ten (10) hour shifts between Monday and Saturday which shall constitute the regular work week for this schedule.
- (b) Where the entire work week falls between Monday and Friday, there shall be forty (40) hours pay for forty (40) hours work.
- (c) Where the work week includes Saturday, there shall be forty (40) hours pay for thirty-nine (39) hours work.
- (d) Assignment to this shift will be on a voluntary basis unless the Company cannot obtain enough volunteers to fill the requirements, then the junior men in the required categories will be required to work such shift. Where the Company has to appoint men to this shift, any one period of service shall not exceed thirty (30) days.
- (e) Employees assigned to this shift will receive ten (10) hours pay for General Holidays.

Signed this _____ day of _____, **2003**.

KAL TIRE

INTERNATIONAL UNION OF OPERATING
ENGINEERS - LOCAL 115

LETTER OF UNDERSTANDING #3

BY AND BETWEEN:

KAL TIRE (Coquitlam/Richmond)

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

RE: VACATION SCHEDULING – Coquitlam Retread Plant Only

The Company, starting on January 15th each year, will post a notice to inform the employees that by March 15th all employees are to choose the date of their vacation. The Company shall grant their requests according to seniority

This schedule will be approved and posted by April 15th. Once approved by the Company, the schedule shall not be changed except by mutual agreement between the employee and the Company as per the collective agreement.

Employees requesting vacation after the Company has approved the vacation schedule shall be granted same on the basis of seniority, but such employee shall not bump into vacation dates on the approved schedule.

Signed this _____ day of _____, **2003**.

KAL TIRE

INTERNATIONAL UNION OF OPERATING
ENGINEERS - LOCAL 115

LETTER OF UNDERSTANDING #4

BY AND BETWEEN:

KAL TIRE (Coquitlam/Richmond)

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

RE: OVERTIME LISTS - Coquitlam Retread Plant Only

The Company shall post on the Union Notice Board the names of employees and the amounts of overtime worked on an ongoing basis.

It is the intent of the Company that overtime shall be allocated as equitably as possible.

This Letter may be amended upon mutual agreement of the undersigned. This Letter may be cancelled upon seven (7) days written notice by either party.

Signed this _____ day of _____, **2003**.

KAL TIRE

INTERNATIONAL UNION OF OPERATING
ENGINEERS - LOCAL 115

LETTER OF UNDERSTANDING #5

BY AND BETWEEN:

KAL TIRE (Coquitlam/Richmond)

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

- DAY SHIFT SCHEDULE -

A day shift schedule may be established for two (2) Tire Servicemen who shall have Sunday and one other non-consecutive day off.

1. This schedule shall attract a six percent (6%) premium based on the appropriate hourly rate.
2. The Company shall post this vacancy for one (1) week.
3. In the event there is more than one applicant, the position shall be filled according to seniority.
4. There shall be no layoff of present bargaining unit employees at the Coquitlam location while this Letter is in effect.
5. The following individuals are exempt from this schedule and are not required to fill this shift unless by choice and according to seniority:

Robert Koneski

Larrie Homan

Robert McKeown

Metro Gordy

(Subject to additional names as per the Union.)

6. The retread division is exempt from this schedule.

This Letter may be amended upon mutual agreement of the undersigned. This Letter may be cancelled upon seven (7) days' written notice by either party.

Signed this _____ day of _____, **2003**.

KAL TIRE

INTERNATIONAL UNION OF OPERATING
ENGINEERS - LOCAL 115

LETTER OF UNDERSTANDING #6

BY AND BETWEEN:

KAL TIRE (Coquitlam/Richmond)

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

- DAY SHIFT SCHEDULE -

A day shift schedule may be established for two (2) Tire Servicemen who shall have Sunday and one other non-consecutive day off.

1. This schedule shall attract a six percent (6%) premium based on the appropriate hourly rate.
2. The Company shall post this vacancy for one (1) week.
3. In the event there is more than one applicant, the position shall be filled according to seniority.
4. There shall be no layoff of present bargaining unit employees at the Richmond location while this Letter is in effect.

This Letter may be amended upon mutual agreement of the undersigned. This Letter may be cancelled upon seven (7) days written notice by either party.

Signed this _____ day of _____, **2003**.

KAL TIRE

INTERNATIONAL UNION OF OPERATING
ENGINEERS - LOCAL 115

LETTER OF UNDERSTANDING #7

BY AND BETWEEN:

KAL TIRE (Coquitlam/Richmond)

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

RE: STUDENT EMPLOYMENT

The above named parties agree that one (1) student may be employed for the purpose of learning the tire industry business. The purpose of this Letter of Agreement is to set in place the framework within which such student employee shall operate.

1. This placement is designed to introduce a student to specific work experiences and skills by placing him in a working environment for a maximum of four (4) months each calendar year in order that the student can experience first hand the demands of the workplace; jobs and skills he will face in the industry.
2. Such placement shall not be made when it will replace a laid off employee. Should a lay-off occur during the placement, then the placement shall immediately be terminated.
3. It is the responsibility of the Company to provide Workers' Compensation coverage, to give general occupational health and workplace safety training and to ensure that the student has all appropriate safety equipment as required by W.C.B.
4. Students must be supervised at all times by the workers whose job he is learning.
5. The Company shall pay for BC Medical coverage during the first four (4) months of the student's employment; during the second and subsequent years, the Company shall also provide full coverage under the Kal Tire Health and Welfare package.
6. The Company shall pay forty dollars (\$40.00) per month permit fee to I.U.O.E. Local 115 at no cost to the student. The Company shall not be required to make contributions to the **Benefits** and Pension Plans as per Article 13.10 and 13.29.
7. The student shall receive payment at sixty percent (60%) of the Tire Serviceman's wage rate.
8. The student shall not accumulate seniority.
9. This Letter may be amended upon mutual agreement of the undersigned.
10. This Letter may be terminated upon thirty (30) days' written notice by either party.

Signed this _____ day of _____, **2003**.

KAL TIRE

INTERNATIONAL UNION OF OPERATING
ENGINEERS - LOCAL 115

LETTER OF UNDERSTANDING #8

BY AND BETWEEN:

KAL TIRE (Coquitlam/Richmond)

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

WHEREAS both parties recognize. that the nature of the Employer's operations requires some overlap in duties and responsibilities and thus management participation of a minor nature in bargaining unit work;

AND WHEREAS both parties also recognize that the intent and purpose of this Letter is to protect the bargaining unit and insure them continuity of employment;

AND WHEREAS both parties also recognize that the intent and purpose of this Letter is to promote the continuity and profitability of the Richmond/Coquitlam Kal Tire Stores;

THEREFORE, IT IS AGREED THAT:

1. For the purposes hereof, "the Coquitlam Store" and the "Richmond Store" respectively mean each such store of the Employer as located in each such place as of July 30, 1999, and "each Store" means each one of the Coquitlam, Store and the Richmond Store.
2. A Permit be issued for Coquitlam/Richmond allowing management to perform a total of forty (40) hours of bargaining unit work each month at each location (excluding retread shop).
3. During the period January to September, inclusive, management will be permitted to work an aggregate maximum total of forty (40) hours of bargaining unit work at each Store for each calendar month during such period.
4. During the period from October to December, inclusive, management will be permitted to work an aggregate maximum total of sixty (60) hours of bargaining unit work at each Store for each calendar month during such period..
5. This Permit shall apply to the Manager, Assistant Manager and one Junior Assistant Manager only at each location. No sales or other excluded personnel shall perform bargaining unit work.
6. No work as outlined in Schedule "A" of the Collective Agreement shall be performed by Management in the Coquitlam retread shop.
7. Overtime shall only be worked by management personnel when all bargaining unit employees who are currently on shift have first been asked to work the overtime.

8. Coquitlam retail outlet shall maintain a minimum of five (5) Tire Servicemen for this Letter of Understanding to apply.
9. Richmond retail outlet shall maintain a minimum of six (6) Tire Servicemen for this Letter of Understanding to apply.
10. There will be no carrying, over or any other form of crediting in favour of the Employer in the event that the management at any of the stores does work in any particular calendar month that is less than the actual permitted aggregate maximum total for any such same month.
11. In the event that there are any Union employees of the Employer with a minimum of two (2) years seniority who are on a lay-off at a Store, then management will have its rights to do any work as contemplated herein wholly suspended at such same store until such time as all laid-off employees with such two (2) years minimum seniority are called back to their duties at such store.
12. Management will be responsible to properly record all time worked in the form of ongoing journal entries for each day of each calendar month and to provide regular and unrestricted access to all such records to the duly authorized representatives of the Union. At the commencement of each day such representatives of the Union employees and of management will meet to review all such records for the preceding day and to indicate their mutual agreement concerning the accuracy of such records by each signing-off concerning the name. In the event that there are any disagreements or discrepancies concerning such records, then the same will be resolved by the procedure set forth in the Collective Agreement concerning disputes and arbitration. The totals of the amount of hours worked as verified by such signing-off or arbitration procedures (as the case may be) will be final and binding upon the Employer and the Union.
13. In the event that it is properly established that management has exceeded the permitted aggregate maximum total of hours worked by management, for any particular calendar month, then without prejudice and in addition to any other lawful remedies available to the Union, the Employer will pay equally among all Union employees at such offending store location an amount equal to the call-out rate (minimum of two (2) hours at double time [2x]) for the total amount of any such excessive time worked that calendar month by management.
14. The Union and the Employer acknowledge and agree that any usual proper training of employees by management and any situations where a Union employee expressly and voluntarily requests assistance from management will be excluded from the aforesaid working times that must be recorded.
15. In the event that management at a store is properly established to have exceeded the permitted aggregate maximum total of working hours for three (3) or more different calendar months within a period of twelve (12) consecutive calendar months, then in addition and without prejudice to any other lawful remedies available to the Union, all of the rights of management contained in the provisions of this Utter of Understanding and the similar Letter of Understanding concerning Boundary Road shall immediately cease and be null and void at all times thereafter in relationship to all Kal Tire stores covered by this Letter of Understanding.

16. The Company shall forward forty dollars (\$40.00) for each location per month (total eighty dollars [\$80.00] per month) as permit fees to the International Union of Operating Engineers, Local 115.

This Letter of Understanding shall remain in place for one (1) year, thereafter if changes are requested, then the requesting party shall provide thirty (30) clays' notice. If the parties are able to negotiate mutually agreeable changes to this Letter of Understanding, it shall remain in place. If changes are not agreed, then upon seventy-five (75) calendar days written notice from either party, this Letter of Understanding shall be cancelled.

Signed this _____ day of _____, **2003**.

KAL TIRE

INTERNATIONAL UNION OF OPERATING
ENGINEERS - LOCAL 115

