

AGREEMENT BETWEEN:

CANADIAN HEATING PRODUCTS INC.

AND

INTERNATIONAL UNION OF OPERATING ENGINEERS,
LOCAL 115

MARCH 17, 2003 to MARCH 31, 2005

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AGREEMENT BETWEEN:

CANADIAN HEATING PRODUCTS INC.

(hereinafter referred to as the "Company")

PARTY OF THE FIRST PART

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

(hereinafter referred to as the "Union")

PARTY OF THE SECOND PART

WITNESSETH: that the parties hereto agree as follows:

DATE AND REFERENCE

The Agreement shall be dated for reference **March 17, 2003** to **March 31, 2005**, and named for reference the "CANADIAN HEATING PRODUCTS INC. - OPERATING ENGINEERS AGREEMENT".

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 and to maintain an adequate level of productivity and quality.

ARTICLE 2 - BARGAINING AGENCY

2.01 The Company recognizes and agrees that the Union is the sole bargaining agent for the employees of the Company employed at the place(s) set out in the certificate(s) of bargaining authority at and from 13120 - 76th Avenue, Surrey, British Columbia/**27342 Gloucester Way, Langley, British Columbia.**

2.02 This Agreement shall be binding on the Company and the Union and their respective successors, administrators, executors and assigns and on each employee.

2.03 SUPERVISORS, OFFICE PERSONNEL DO NOT WORK: - No supervisors or office personnel will be allowed to use hand tools or carry out work which would be normally

done by employees in the bargaining unit, except in the instruction or training of employees. (See Letter of Understanding #1).

ARTICLE 3 - UNION SECURITY

- 3.01 UNION SECURITY: - Each employee covered by this Agreement shall, as a condition of employment and/or continued employment, be and remain or become and remain, a Union member in good standing for the duration of this Agreement or for the duration of his employment with the Company, whichever is shorter. Counting from the date he commences employment with the Company, each new employee will be allowed thirty (30) calendar days within which to make application to join the Union and tender the appropriate initiation fees. The Union shall have the exclusive right to determine who is a member in good standing. Should an employee at any time cease to be a member in good standing of the Union, the Company shall, upon notification in writing from the Union, discharge such employee forthwith.
- 3.02 CHECK-OFF: - The Company shall deduct from each new employee an amount equal to the Union dues from the employee's first payroll cheque after completion of six (6) days of work in a calendar month and add that employee's name and the said amount to the closest applicable check-off; i.e., if the check-off for that month has not been remitted to the Union, it shall be added to that check-off; if that month's check-off has been remitted, it shall be added to the following month's check-off and shown as the previous month worked.
- 3.03 AMOUNTS DEDUCTED: - Union dues or any other assessments as authorized by the Union deducted under this provision, or other check-off provisions in the Agreement shall be remitted to the Union and received not later than the fifteenth of the month following the month in which such check-off applies.

ARTICLE 4 - MANAGEMENT RIGHTS

The Union recognizes and agrees that:

- 4.01 The management and operation of the plant and the direction of the working forces are vested exclusively in the Company.
- 4.02 The Company has and shall retain the right to select its employees, to hire, classify, promote, demote or discipline them and to discharge employees for just and reasonable cause.
- 4.03 DISCRIMINATION PROHIBITED: - The Company agrees that it will not act in a manner that is arbitrary, discriminatory or in bad faith in the exercise of its management rights. The Parties further agree that there shall be no discrimination, interference, restriction, or coercion exercised or practiced with respect to any employee in any matter by reason of race, creed, colour, age, sex, marital status, or family relationship. The Company will abide by the Human Rights Act. Any claim of a violation of this provision or any other Article of this Agreement may be the subject of a grievance and be dealt with as hereinafter provided.

4.04 The right to hire employees of its choice is vested exclusively in the Company, but when the Company requires new employees, it shall so notify the Union so that the Union may have the opportunity to provide the Company with suitable applicants.

4.05 A progressive discipline system will be used depending always on the severity of the offence, as follows:

First offence - verbal warning

Second offence - written warning

Third offence - suspension (variable duration depending on seriousness of offence)

Fourth offence - Company reserves the right to terminate

If the employee's record is clear of verbal or written warnings regarding attendance-related infractions, for a period of six (6) months, the warnings will be removed from the employee's record.

Attendance-related suspensions will remain on employee's record for twelve (12) months.

If the employee's record is clear of all other verbal or written warnings for a period of twelve (12) months, the warnings will be removed from the employee's record.

All ***non-attendance related*** suspensions shall remain on the employee's record permanently and shall be considered in all future discipline.

Employee's personnel files will be made available to the employee or the Union upon request.

ARTICLE 5 - DEFINITION OF EMPLOYEE

5.01 In this Agreement "employee" means a person who is employed by the Company and who is included in a unit of the Company's employees for whom the Union has been certified as the collective bargaining agent by the Labour Relations Code of British Columbia. "Employee" shall also mean a person employed in a job classification listed in Appendix "A" and/or "B" attached hereto, and working at or from 13120 - 76th Avenue, Surrey, British Columbia/***27342 Gloucester Way, Langley, British Columbia.***

ARTICLE 6: HOURS OF WORK AND OVERTIME

6.01 DAY SHIFT: - The standard work day shall consist of eight (8) hours, 7:00 a.m. to 3:30 p.m. The standard work week shall consist of forty (40) hours, Monday to Friday.

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

6.02 AFTERNOON SHIFT: - If a second shift is employed, the hours of work shall be seven and one-half (7.5) hours of work between the hours of 3:30 p.m. and 11:30 p.m. for which eight (8) hours will be paid.

6.03 GRAVEYARD SHIFT: - If a third shift is employed, the hours of work shall be seven (7) hours of work between the hours of 11:30 p.m. and 7:00 a.m. for which eight (8) hours shall be paid and a shift premium of fifteen cents (15¢) shall be added on to the classified hourly rate.

6.04 TUESDAY TO SATURDAY WORK WEEK - MAINTENANCE:

- (a) Where a Tuesday to Saturday work week is established for Maintenance employees, the work day shall consist of eight (8) hours; 7:00 a.m. to 3:30 p.m.
- (b) A premium of fifty cents (50¢) per hour for all hours worked on Tuesday through Saturday shall apply.
- (c) Staffing for a Tuesday through Saturday work week shall be on a voluntary basis; however, should there not be enough volunteers available to fill the requirements of the Tuesday to Saturday work week, then the junior employee(s) in the classification shall be required to work.
- (d) Layoffs and layoff notice shall be in accordance with Article 9.04. However, layoff notice shall be exclusive of Sundays, Mondays and General Holidays.
- (e) Sunday and Monday being regular days off, any General Holiday falling on or celebrated on these days off shall be celebrated on Tuesdays. All General Holiday payment provisions contained in this Agreement shall be applicable to this Tuesday General Holiday.

6.05 LUNCH PERIOD: - Each shift shall have a one-half (1/2) hour lunch period at mid-shift.

6.06 SHIFT CHANGE: - Allocation of shifts shall be made on the basis of seniority to employees with the ability to do the work.

The opportunity to change a shift, due to a requirement by the Company, shall first be made available to the senior employee(s) in the required Department and there on down the seniority list by classification until sufficient manpower is allocated for the shift(s).

In either case, no less than forty-eight (48) hours' notice shall be given prior to any shift changes.

6.07 SHIFT - TRANSFER OF EMPLOYEE: - When it is necessary for an employee to be transferred from one shift to another shift, said shifts will continue for a minimum of three (3) consecutive normal working days, or the overtime rates as provided for in this Agreement will apply.

6.08 SHIFT - START AND STOP TIMES: - If an employee is working on the second shift or third shift and is unable to start the shift on time and/or to complete the shift, then the hourly rate for such an employee shall be computed by dividing the employee's total pay for a regular full shift by the applicable total number of hours he would be required to work to qualify for a full second shift or third shift, multiplied by the actual hours worked.

6.09 OVERTIME: - All hours worked outside of the standard work hours, outside the established shift hours and outside the standard work week shall be considered overtime and paid at

one and one-half (1.5) times the hourly rate for the first two (2) hours and double time thereafter. All overtime must be authorized by Management.

- 6.10 OVERTIME - VOLUNTARY: - All overtime shall be on a voluntary basis. The offer to work overtime shall first be made to the senior employee(s) with the ability to do the work within the required Department and thereon down the seniority list until sufficient manpower is allocated for the overtime. The Company will endeavour to rotate the overtime in the Department to ensure equitable distribution.
- 6.11 OVERTIME NOT PART OF DAILY GUARANTEE: - Where an employee, at the request of the Company, performs work at overtime rates, such time will be considered overtime only and will not be included in the computation of his daily guarantee as provided under this Agreement.
- 6.12 OVERTIME BANK: - Where it is mutually agreed that overtime may be banked, employees shall state whether overtime is to be banked or paid at the beginning of each quarter. An employee may bank overtime equivalent to eighty (80) hours straight time maximum. All overtime worked thereafter shall be paid at the appropriate rate to said employees. Banked overtime may be cancelled by either party upon ninety (90) days written notice. Banked overtime is not to be taken in the June to August holiday period unless approved by the Company. All unused banked overtime must be paid out at the end of the Company's calendar year. That is, no banked time will be carried over into the next calendar year.

Banked time may be used through the Christmas shutdown.

Selection of employees to use banked time off shall first be on a voluntary basis, and secondly according to seniority, subject to the operating needs of the business.

Banked hours may be withdrawn by an employee in whole or in part at their regular rate at the time of withdrawal. In the event an employee also wishes time off, such time will be by mutual agreement and subject to the operating needs and service requirements of the business.

Banked hours may not be withdrawn during a month in which a disciplinary suspension occurs.

- 6.13 OVERTIME - CALCULATION OF: - Without detracting from the minimum overtime hours worked and/or minimum overtime pay guarantees as provided elsewhere in this Agreement, when an employee works overtime, his time worked shall be calculated on a fifteen (15) minute unit basis. If an employee works any part of a fifteen (15) minute unit, he shall receive credit for time worked for that full fifteen (15) minute unit.

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

- 6.14 OVERTIME MEAL: - Employees who work beyond ten (10) hours per day shall receive a minimum of one-half (1/2) hour's pay for time off to eat a meal, and each four (4) hours

thereafter. The Company shall provide either a hot meal for each overtime meal or a meal allowance of seven dollars (\$7.00) to each employee.

- 6.15 REST BETWEEN SHIFTS: - It is intended that every employee should have eight (8) hours' rest between shifts. In the event that an employee is recalled to work before such eight (8) full hours elapse, he shall be paid the appropriate overtime rates for work performed after recall. No employee shall be permitted to resume work on his own accord until eight (8) full hours have elapsed.

CLARIFICATION:

Employees working after midnight reporting for work next shift after an eight (8) hour break will not lose the time taken from the shift to make up the eight (8) hour break.

- 6.16 WORK BEFORE REGULAR SHIFT: - Employees called in before their regular starting time shall be paid at the prevailing overtime rate for time worked prior to their regular starting time.
- 6.17 WORK AFTER REGULAR SHIFT: - Employees called back to work after their regular shift shall receive a minimum of three (3) hours' pay at the prevailing overtime rate.
- 6.18 WORK ON SATURDAY, SUNDAY, GENERAL HOLIDAYS:

All hours worked on Saturday, Sunday, or General Holidays listed in Article 11, or day observed as such under the terms of the Agreement shall be considered overtime and be paid in accordance with the following:

- (a) Saturday - The first eight (8) hours shall be paid at time and one-half. All hours worked in excess of eight (8) hours shall be paid at double time.
 - (b) Sunday and General Holidays - All hours worked on a Sunday or a General Holiday shall be paid at double time. This double time is in addition to any General Holiday pay an employee may be entitled to under other provisions of this Agreement.
- 6.19 WORK WEEK - GUARANTEED:
- (a) An employee who reports for work at the start of the standard work week shall be guaranteed full pay for the balance of the standard work week. The forty-eight (48) hour notice of layoff provided in the Seniority Section of this Agreement shall take precedence when an employee is laid off on a Thursday. He would work Friday and Monday and by working Monday is not entitled to full pay for that week.
 - (b) If an employee of his own volition does not report for his regular shift or shifts, then his weekly minimum five (5) shift pay base shall be reduced to the number received by subtracting the number of shifts missed from five (5).
 - (c) If for any reasons beyond the control of the Company such as Plant breakdown, it is necessary to temporarily close the plant or any part thereof;
 - (i) Employees at work may be sent home and paid only for the time worked with a guarantee of four (4) hours' pay.

- (ii) Any employee advised not to report for work by a Supervisor shall not receive pay for that shift.

6.20 CALL TIME:

- (a) An employee reporting for work on his regular shift shall receive a minimum of eight (8) hours' pay at his regular hourly rate.
- (b) An employee called to work on a Saturday shall receive a minimum of three (3) hours' pay at the prevailing overtime rates.
- (c) An employee called to work on a Sunday or on a General Holiday shall receive a minimum of three (3) hours' pay at the prevailing overtime rates.
- (d) The provisions of this Section shall not apply if an employee voluntarily quits, is laid-off, or is discharged for just and reasonable cause.

6.21 WORK THROUGH REGULAR LUNCH PERIOD: - Where an employee is required to work through his 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.

ARTICLE 7 - GRIEVANCE PROCEDURE

7.01 JOINT MANAGEMENT/UNION LIAISON: - On the request of either Party, the parties shall meet at least once every two (2) months for the purpose of discussing issues relating to the workplace that affect the parties or any employee bound by this Agreement.

The purpose of the consultation committee is to promote the cooperative resolution of workplace issues, to respond and adapt to changes in the economy, to foster the development of work related skills and to promote workplace productivity, but does not replace the Grievance Procedure set out in this Article.

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:

STEP A - The employee or the Union, together with such person or persons as he or the Union may wish, shall take the matter up with the Company within **fifteen (15)** calendar days. The Company shall give its response to the Union within **fifteen (15) calendar** days.

7.03 GRIEVANCE - TIME LIMIT: - Any discharged or suspended employee may, within seventy-two (72) hours of his discharge or suspension, (exclusive of Saturdays, Sundays and General Holidays) in writing, require the Company to give him the reasons for his discharge or suspension and the Company will give such reasons to him, in writing, within seventy-two (72) hours of such request and in the event of any dispute or difference as to whether or not there was proper cause for the discharge or suspension of such an employee, only the reasons so set forth in writing shall constitute cause. A copy of the Company's written response shall be forwarded to the Union Business Representative.

7.04 SECTION 87 (1): - Grievances pertaining to discharge and suspension will not be processed under Section 87 (1) of the Labour Relations Code of British Columbia unless there is mutual agreement between the parties.

ARTICLE 8 - ARBITRATION

8.01 If the procedures set forth in Section 7.02, Step A and Step B do not result in a solution being reached within twenty (20) 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 may be referred to a single Arbitrator appointed as follows:

- (a) The parties shall then confer and shall within ten (10) days choose a single arbitrator to arbitrate the dispute. The arbitrator shall be chosen by mutual agreement of the parties. Failing mutual agreement, the Director of the Collective Agreement Arbitration Bureau to appoint a single arbitrator.
- (b) The decision of the Arbitrator shall be final and binding. All expenses incurred by the Arbitrator shall be paid equally by the Parties. Each party shall pay its own costs.

8.02 If the Arbitrator finds (or if at any earlier stage of the Grievance Procedure it is found) that an employee has been suspended or discharged without just and reasonable cause, 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 Arbitrator 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 be 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 Arbitrator 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 Arbitrator, if circumstances are provided before him, which, in the opinion of the Arbitrator makes it just and equitable to do so, shall have the authority to order the Company to pay less than the full amount of wages lost.

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

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

8.05 The expenses and remuneration of the Arbitrator shall be paid by the Parties in equal shares.

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

8.07 The decision of the Arbitrator shall be specifically limited to the matter submitted to him and he shall have no authority in any manner to amend, alter or change any provisions of this Agreement.

ARTICLE 9 - SENIORITY

9.01 SENIORITY LIST: - The Company shall, at least once every six (6) months, post in a conspicuous place on its premises an up-to-date list of all employees covered by this Agreement showing the date when each commenced his employment with the Company. The Company shall forward to the Union a copy of each list on the date of its posting.

9.02 (a) When a new employee is hired, it is agreed that he shall be on probation for sixty (60) calendar days and during this period seniority will not be applicable. When the probationary period is completed seniority will commence from the date of hiring.

(b) No employee shall serve more than one (1) probationary period.

c) ***EMPLOYEES WHO ARE ON LAY-OFF DURING PROBATION: - At any time an employee is on lay-off during their probationary period, those days shall not be used in the 60 day calculation.***

9.03 EMPLOYEE - RE-EMPLOYMENT: - An employee re-entering the employ of the Company within *nine* (9) months after his right to recall has expired shall not be subject to another probation period.

9.04 LAYOFF BY SENIORITY: - In the event of layoffs, seniority shall be recognized. The principle of last man on - first man off shall prevail, subject to job classification.

The exception to the foregoing is where the WCB regulations require a First Aid Attendant. If the Attendant is a Bargaining Unit member and does not have the required seniority to remain employed, such employee may be kept employed out of seniority.

BUMPING RIGHTS: - Any employee who is subject to layoff may bump a less senior employee from an equivalent or lower classification for which he possesses the minimum requirements and the ability to perform the job.

Employees who accept an equivalent or lower level position under this Article shall have the right to reinstatement in their former position, if such becomes available within one (1) year from the date of accepting the equivalent or lower level position. The job, in such instances, will not be posted. The employee shall be reinstated at the step he had attained in his former classification.

NOTICE OF LAYOFF: - The Company shall give at least seventy-two (72) hours notice of layoffs; exclusive of Saturday, Sundays and General Holidays.

9.05 SENIORITY RETENTION:

(a) A laid-off employee shall retain his seniority and recall rights with the Company for twelve (12) months after the date of lay off.

- (b) If a laid-off employee is called back to work with the Company within his right to recall period, there shall be deemed to have been no break in such an employee's continuous service with the Company by reason of such layoff.
- (c) When a member of the bargaining unit (excluding a probationary employee) accepts a position within the Company outside of the bargaining unit, he shall forfeit his seniority. The Union shall be notified in writing of such promotion.

9.06 RECALL: - When vacancies occur, the Company shall rehire laid-off employees according to their seniority and the principle of last man off - first man on shall prevail, subject to their classification.

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

Failure to respond within 3 working days of being notified to do so may result in the employee having to wait until the next recall (i.e. out of seniority), unless the employee can prove that his or her failure to respond was due to circumstances beyond his or her control.

Where the Company cannot contact an employee, the Company shall contact the Union so that the Union can provide all contact numbers at their disposal.

ARTICLE 10 - VACATIONS

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

YEARS OF CONTINUOUS SERVICE	VACATION PERIOD	VACATION PAY
Less than one year		4%
1 year but less than 5 years	2 weeks	4%
5 years but less than 8 years	3 weeks	6%
8 years but less than 12 years	4 weeks	8%
12 years or more	5 weeks	10%

10.02 CALENDAR YEAR: - For the purpose of determining a calendar year's employment to qualify an employee for vacations and vacation pay, for which wages are payable in an employee's calendar year, running from anniversary date to anniversary date, he shall be eligible for vacations as above set forth.

NOTE: W.C.B. shall be recognized as time worked.

Employees shall be paid as the case may be, four percent (4%), six percent (6%) or **ten** percent (**10%**), of their gross earnings for the work year immediately preceding the vacation period.

10.03 VACATION PAY ON TERMINATION: - In the event of termination of service with the Company for any reason after an employee had his vacation he earned for the previous

year, he shall receive as vacation pay four percent (4%), six percent (6%) or **ten** percent (**10%**) as the case may be of his gross earnings he earned in the year in which he ends his employment for which no vacation has been paid.

10.04 VACATION PAY - STATEMENT OF: - Prior to an employee going on his vacation, the Company shall furnish the employee with a statement showing the period for which the employee is receiving his or her vacation pay, how the vacation pay was calculated, and shall include all overtime payments, or anything of a monetary value on which the employee has to pay income tax, and also a cheque for the proportionate vacation pay the employee is entitled to. ***The Employer may elect to use a direct deposit system for vacation pay.***

10.04 VACATION PAY - STATEMENT OF: - Prior to an employee going on his vacation, the Company shall furnish the employee with a statement showing the period for which the employee is receiving his or her vacation pay, how the vacation pay was calculated, and shall include all overtime payments, or anything of a monetary value on which the employee has to pay income tax, and also a cheque for the proportionate vacation pay the employee is entitled to.

10.05 VACATION PERIOD: - It is understood that the Company may close the plant for two (2) consecutive weeks each year during the summer months. At that time, bargaining unit employees shall take two (2) weeks of their annual vacation subject to the following:

- (a) If the Company requires employees to work during the summer closure, the Company will post a list in advance requesting volunteers.
- (b) The Company will select employees from the list to work the summer closure on the basis of seniority, ability and by classification.
- (c) Vacation schedules, including notice of planned shutdown periods, will be placed on the bulletin board no later than February 1st. After April 1st, those employees who have not recorded their choice of vacation time will not be able to exercise seniority rights for vacation purposes. The approved and assigned vacation schedule will be posted on April 15th.
- (d) Selection of vacation time shall be by seniority in their classification, subject to (a) above.
- (e) The Employer will indicate with the posted vacation schedule any limitations on numbers of employees in each classification who may be on vacation at one time. Where there is a question as to limitation on numbers of employees in each classification, who may go on vacation at any one time, the Parties shall meet to resolve the matter.

Employees who are entitled to more than two (2) weeks' vacation shall request those additional week(s) to be taken outside of the summer plant closure. These additional week(s) shall be granted on the basis of seniority.

10.06 VACATION - ANNIVERSARY DATE: - An employee's anniversary of employment date will govern his attainment of vacation entitlement.

10.07 VACATIONS - SCHEDULE CHANGE: - An employee's scheduled vacation period shall not be changed by the Company within the one (1) month period immediately preceding the start of the vacation period without the consent of the employee concerned.

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

10.09 VACATION ENTITLEMENT - RELATED TO STATUTES: - The entitlements of an employee under this section shall at no time be less beneficial than those he would be entitled to under the provisions of any Government legislation or any orders or regulations made thereunder.

10.10 VACATION ENTITLEMENT:

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

- (a) due to temporary illness or non-occupational accident exceeding seventeen (17) weeks;
- (b) with authorized leave of absence.

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

- (a) a compensable accident;
- (b) serving in the non-permanent Armed Forces of Canada;
- (c) temporary illness or non-occupational accident not exceeding seventeen (17) weeks.
- (d) layoff of fifteen (15) consecutive calendar days or less for employees with five (5) or more years of service and layoff of five (5) consecutive calendar days or less for employees with less than five (5) years of service.

ARTICLE 11 - GENERAL HOLIDAYS

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

New Year's Day	Labour Day
Good Friday	Thanksgiving Day
Victoria Day	Remembrance Day
Canada Day	Christmas Day

B.C. Day

Boxing Day

and any other holiday declared, proclaimed or celebrated by the Federal and/or Provincial Government will be paid for.

- 11.02 GENERAL HOLIDAY - SATURDAY AND SUNDAY: - When a General Holiday falls on a Saturday, a Sunday or on an employee's weekly day off then the next work day shall be observed as the holiday. If Christmas Day and Boxing Day fall on a Saturday and on a Sunday respectively, or on an employee's weekly days off, then the next two (2) work days shall be observed as holidays.
- 11.03 GENERAL HOLIDAY PAY WILL BE PAID: - Without limiting the general application of Section 11.01, but subject to the following provisions, General Holidays will be paid:
- (a) In order to qualify for General Holidays, employees must have worked **the day** immediately preceding the Holiday and the first day immediately following the Holiday unless the employee has been discharged for just and reasonable cause. **Further, any vacation or approved leave would be considered days worked.**
 - (b) Where an employee is off work due to a death in the immediate family or is acting as a witness as provided for elsewhere in this Agreement, he will be paid for the Holiday.
 - (c) General Holiday pay will not be paid to employees off work due to Workers' Compensation Benefits, Weekly Indemnity or Personal Leave of Absence.
 - (d) In the event an employee is unable to work the first day immediately following the holiday in (a) above, due to a non-compensable injury or illness he shall be paid for the General Holiday. However, the Company shall have the right to request a medical certificate. The cost of the medical certificate shall be borne by the employee in respect to this Article only.
 - (e) The parties may, by mutual consent, agree to observe any of the General Holidays on an alternate day in accordance with legislation.
 - (f) Where an employee is laid off by the Company and such layoff commenced not more than five (5) working days preceding the Holiday.
- 11.04 GENERAL HOLIDAY - DURING VACATION: - When a General Holiday falls within an employee's scheduled vacation, he shall receive the pay of a normal shift for the holiday in addition to his vacation pay, or a day off with pay in conjunction with his vacation.

ARTICLE 12 - WAGES

- 12.01 The Company shall remunerate an employee at the wage rate applicable to the job classification that such an employee is employed in. The job classification and applicable wage rates shall be those agreed upon and set out in Appendix "A" and/or Appendix "B", attached hereto and forming part of this Agreement.
- 12.02 PAY STATEMENT: - The Company will issue to each employee a separate or detachable itemized statement with each pay, showing separately the number of straight time hours

worked and the number of overtime hours worked and the respective hourly rates applicable thereon. The statement shall also show the total wages for the pay period and the total deductions therefrom.

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

12.04 ACCIDENTS - PAY TO EMPLOYEES: - Employees involved in an accident while on the job shall receive eight (8) hours' pay at his classified rate for the day of the accident. If an employee is required to take time off while on the job to consult a doctor with regard to any compensable injury he has received on the job, he shall be paid for such time off, provided a doctor's letter or note is supplied and he returns to complete the day's work, if practicable.

12.05 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. An employee assigned temporarily to duties which pay a lower rate of pay will not have their regular applicable wage reduced for those hours.

12.06 PAYMENT OF WAGES

- (a) The Company shall, every second Friday, pay to each employee all wages earned by the employee to a day not more than five (5) working days prior to the date of payment provided that if a general holiday falls on the regular pay day, payment will be made the preceding day. ***The Company may elect to use a direct deposit system. In such case the Company will give employees three (3) months' notice.***
- (b) Payment of wages will be made during working hours.
- (c) In the event that an employee is laid-off, the Company shall pay such employee, not later than the next 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.

ARTICLE 13 - EMPLOYEE VEHICLES

13.01 Employee vehicles shall not be used on Company business.

ARTICLE 14 - LEAVE OF ABSENCE

14.01 UNION SERVICE:

- (a) The Company shall allow time off work without pay for any employee who is serving on a Union committee for purposes of discussions with the Company, or serving as a Union delegate to any conference or function, provided all requests for time off are reasonable and do not interfere with the proper operation of the business.
- (b) No employee who acts within the scope of this sub-section shall lose his job seniority or be discriminated against for so acting.

14.02 LEAVE OF ABSENCE DUE TO INJURY:

- (a) When an employee suffers an injury, whether on the job or not, or suffers any illness preventing him from reporting to work, he will automatically be granted leave of absence ***without pay*** until such time as ***a medical report supports return to work. Article 12.04 would still apply.***
- (b) No employee who acts within the scope of this sub-section shall lose his job seniority or be discriminated against for so acting.

14.03 LEAVE OF ABSENCE - APPLICATION FOR: - If an employee desires a leave of absence for reasons other than those referred to in this Section, he must obtain permission, in writing, for the same from the Company, a copy to be supplied to the Union. Employees will not be entitled to benefits while on a personal leave of absence.

14.04 LEAVE OF ABSENCE - OTHER EMPLOYMENT DISALLOWED: - In any instance where an employee accepts other employment, without the consent of Management, when on leave of absence for any reason, his employment may be terminated, subject to proper proof of same.

14.05 MATERNITY/PARENTAL LEAVE: - Any employee who qualifies under Provincial Employment Standards to receive maternity or parental benefits will automatically be granted an unpaid leave of absence for that purpose without loss of seniority. The duration of the leave will fall in accordance with the time limits of the prevailing legislation.

ARTICLE 15 - GENERAL PROVISIONS

15.01 INJURY REPORT: - An employee suffering injury while in the employ of the Company must report to the first aid attendant immediately, or as soon thereafter as practicable, and also report to that department on returning to work.

15.02 WASHROOM FACILITIES: - Adequate washroom facilities for both male and female employees will be provided by the Company and kept in sanitary condition. Employees will cooperate by observing the simple rules of cleanliness. There shall be mirrors in said washrooms adequate for employees' use.

15.03 SAFETY CLOTHING: -

- (a) The Company will provide the following:
 - Rubber apron and rubber boots for employees working at the acid bath;
 - Welders' gloves;
 - Welders' aprons;
 - Goggles;
 - Hard hats for job use where required.

- (b) Employees requiring prescription lenses must have WCB approved safety prescription lenses. Prescription lenses shall be replaced up to sixty dollars (\$60.00) per calendar year, only on a Doctor's notification that lenses have been damaged due to work performed. Lenses will not be replaced by the Company due to vision change.
- 15.04 PROTECTIVE CLOTHING: - The Company shall supply protective clothing when employees are engaged in cleaning equipment, if required.
- NOTE: It must be recognized that an understanding of this nature requires a high degree of cooperation between employees and the Company.
- 15.05 WATERLESS HAND CLEANER: - Waterless hand cleaner shall be supplied for all employees covered by this Agreement.
- 15.06 (a) Coveralls: Machinists, Tool Die Makers, Painters and Maintenance department employees(s) required to wear coveralls or smocks shall have these supplied and cleaned by the Company at no expense to the employees involved. **Employees who require shop coats shall be given two (2) coats. The Company shall be responsible for making arrangements for the shop coats to be cleaned at no cost to the employee.**
- (b) Rubber mats will be provided by the Company at work stations where employees are required to stand for the majority of their shift.
- 15.07 LUNCH ROOM: - The Company will supply suitably enclosed heated accommodation where employees may have their lunch. Lockers for personal storage shall be provided. Employees will supply their own locks.
- 15.08 REST PERIODS: - An employee shall be granted two (2) fifteen (15) minute breaks during the course of each shift - one (1) in each half of the shift, and each two (2) hours of overtime thereafter.
- A fifteen (15) minute coffee break shall be granted at the end of the regular shift prior to commencing overtime provided the overtime period is more than two (2) hours.
- 15.09 CLEAN-UP: - Employees shall be allowed a minimum of five (5) minutes clean-up time each shift, such time to precede the end of the shift **and to be used to clean their area, tools etc.**
- 15.10 SHOP TEMPERATURE: - With the co-operation of employees, the Company will attempt to maintain shop temperature above 50 degrees Fahrenheit (10 degrees Celsius) during cold weather. During hot weather, the Company shall provide ventilation fans to circulate the air.
- 15.11 SHOP STEWARD:
- (a) The Union may elect or appoint a Shop Steward or Shop Stewards to represent the employees and the Union shall notify the Company as to the name(s) of such Shop Steward(s). The Company agrees that no Shop Steward shall suffer any discrimination by reason of holding such office.

- (b) When the Company for any reason finds it necessary to layoff or terminate a Shop Steward, the Business Representative of the Union shall be notified prior to such termination.
 - (c) Upon informing Management, authorized agents of the Union shall have access to the Company's premises during working hours for the purpose of adjusting disputes, investigating working conditions and ascertaining that the Agreement is being adhered to in the operation.
 - (d) The Shop Steward shall be allowed reasonable time during working hours to carry out his duties. Any employee being reprimanded by the Company shall have the right to request that the Shop Steward be in attendance. The Company shall not deny the request.
- 15.12 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.
- 15.13 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.
- 15.14 TOOL INSURANCE: - The Company agrees to pay costs of insurance for fire and theft of machinists and die makers tools and tool boxes used on Company premises. Also included will be costs of replacing broken tools not covered under the manufacturer's warranty, and replacement of lost tools, tool for tool, to a maximum of one hundred dollars (\$100.00) per year.
- 15.15 TOOL REPLACEMENT ALLOWANCE: - The employees will supply the Company with an updated inventory and value of their personal tools and only those tools will be covered for insurance or replacement purposes. Failure to comply with an inventory list will make any claims null and void. It will be the machinists and tool die makers responsibility to ensure that all tools are kept in a securely locked storage container.
- 15.16 BOOT ALLOWANCE – The Company shall contribute a maximum of sixty dollars (\$60.00) annually to the cost of safety boots, upon proof of purchase.**
- 15.17 NOTICE BOARD:
- (a) A separate notice board shall be provided for the posting of all official Union notices exclusively and will not be used for the purpose of disseminating political information. The right is reserved to the Company to request the removal of material offensive to the Company.
 - (b) The following information shall be kept in a central location, readily accessible to the Shop Steward:
 - 1 - Seniority List;

- 2 - Copy of the Agreement;
- 3 - Welfare Plan Provisions.

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

15.18 SEVERANCE AND LAY-OFF PAY:

- (a) If an employee is laid off for a period that exceeds his right to recall as provided for in the seniority provisions of this Agreement and that employee has a minimum of two (2) years' service with the Company he shall be paid two (2) weeks' pay based on eighty (80) hours at his then applicable rate of pay. Such an employee may elect to accept 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 two (2) years service with the Company. Severance pay shall be based on an employee's regular rate of pay at the date of his severance and shall be paid in accordance with the following schedule:

One (1) week's pay or notice for each year of service with the Company to a maximum of ten (10) weeks.

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

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

*** Deleted: Definition of Spouse.**

15.20 JURY DUTY:

- (a) If an employee is called or selected for Jury Duty, the Company shall make up the difference of the employee's regular pay and the amount received for such Jury Duty for a maximum period of ten (10) working days.

All time lost by an employee due to necessary attendance as a witness or any court proceedings arising out of his employment providing such court action is not arising

from the employee's private affairs, or subpoenaed as a witness, or in completing his driver's test required by the employee for actual employment with the Company, or doctor's examinations in connection therewith, shall be paid for by the Company at the rate of pay applicable to said employee.

- (b) When an employee returns from serving on jury duty or from participating as a witness, he will be returned to the job held prior to serving.
- (c) If an employee is employed on an afternoon shift and attends upon jury duty, or if an employee is attending upon jury duty or acting as a witness and becomes scheduled to commence work on an afternoon shift, such an employee shall not be required to work such shifts and shall receive pay for time loss pertaining to jury duty or acting as a witness as provided in this sub-section. All jury duty pay received by an employee for the days he received pay from the Company shall be paid over to the Company. Any employee on jury duty shall, subject to this Section, make himself available for work before or after being required for such duty whenever practicable during his regular shift.

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

15.22 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.

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

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

15.24 TRAINING COURSES:

- (a) Where the Employer requires an employee to take training courses, an employee will be paid at the straight time regular rate of pay for his classification for such time in training and the employee will be allowed receipted, reasonable away-from-home expenses necessarily incurred. Travel time will be paid for travel during regular working hours on regular working days.
- (b) Upon successful completion of such courses, the employee shall be reimbursed for all tuition fees and text books.

15.25 An employee who defaces or willfully damages Company property will be subjected to severe discipline.

Theft of Company property will result in termination of employment.

ARTICLE 16 - TECHNOLOGICAL OR PROCEDURE CHANGES

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

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

ARTICLE 17 - JOB POSTING

17.01 PROMOTION:

- (a) In the event that a new job is created or a vacancy occurs or new equipment is installed in the operation, the Company shall post a notice on the bulletin board for seven (7) working days notifying that a vacancy exists in a particular job.
- (b) Employees desiring such job shall then apply by signing the posting before closure of such posting, except that employees on vacation shall have the privilege of applying when they return.
- (c) Seniority and qualifications (where required) shall be the determining factors in selecting applicants. Seniority shall be the governing factor if there is more than one qualified applicant.
- (d) The successful applicant on a job vacancy shall be given a trial period for up to thirty (30) working days to demonstrate their ability to perform the job. During the trial period, an employee who chooses not to retain the position or who fails to demonstrate the ability to perform the job shall be returned to their former job posting, without a loss of seniority. In such cases, the Employer shall have the right to require all employees who changed job postings in consequences of the promotion, to move back into their previous job postings and wage rates, which they occupied prior to the promotion.
- (e) At any time during the trial period an employee fails to demonstrate the ability to perform the job, the Company and the Union shall meet prior to the Company returning the employee to their former job posting. The trial period shall be suspended pending the above meeting.

- (f) The Employer may temporarily fill the vacancy until a permanent replacement is awarded through the application of this Article.

17.02 NEW JOB CLASSIFICATION:

- (a) When a new job classification is introduced which is not included in the list of classifications in Appendix "A" and/or "B", the Company and the Union shall promptly negotiate a wage rate for such classification.
- (b) Every effort will be made by the Parties to conclude negotiations within thirty (30) days, but in any event, the rate established shall be retroactive to the day the new job commenced.
- (c) In the event the Parties hereto are unable to conclude negotiations the matters in dispute shall be referred to a single Arbitrator agreed upon between the Parties. Failing such agreement, either Party at any time may call upon the Minister of Labour of British Columbia to appoint an Arbitrator.

ARTICLE 18 - TRUCK MAINTENANCE AND SAFETY

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

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

Company operates with an overload and is convicted, the Company shall be responsible for any fines involved. Drivers who of their own accord, operate with an overload may be subject to discipline and responsible for their own fines.

- (g) The Company shall supply a fire extinguisher and an adequate first aid kit for each service vehicle. Each uncovered service vehicle shall be equipped with a tarpaulin.
- (h) Bulkheads will be installed on van-type trucks.

ARTICLE 19 - HEALTH AND WELFARE

19.01 (a) The Company shall provide and maintain the following coverage for their employees on a cost sharing basis as stipulated below. At no time will coverage be less than that currently in place as stipulated in this Article.

(b) The benefits provided under this Article will be firstly subject to the terms of the Collective Agreement and secondly to the terms of the insurance contract between the Company and the Insurance Carrier.

(c) The parties recognize that the Plan may contain restrictions, exceptions, qualifications and other terms affecting entitlements to benefits. Questions of entitlements and eligibility will be determined by clause (b) firstly and then by terms of the insurance plan and the insurer's contract.

19.02 Medical - The medical coverage will be equivalent to that supplied by the Medical Services Plan of British Columbia.

19.03 Extended Health Benefits.

19.04 Group Insurance Coverage.

Life Insurance \$35,000.00

AD & D \$35,000.00

Weekly Indemnity *1-4-17

* 1st day of disability due to injury

* 4th day of disability due to sickness

* 17 weeks short term disability benefits

66 2/3 of weekly earnings to a maximum of \$500.00.

EC rebate shall belong to the Company.

19.05 Long Term Disability Benefits.

Waiting period 120 days

Amount 66 2/3 of your monthly earnings to a maximum of \$6,000.00

Any amount of LTD Insurance over \$3,300.00 is subject to approval of evidence of insurability.

19.06 Dental Plan

Basic Coverage 100%

Major Coverage 50%

Accidental Dental 100%

Injury Coverage

19.07 Eligibility - New employees will be eligible for all coverage outlined above on the first of the month following three (3) months of employment. Current employees on recall (Article 9.06) or beyond the recall period who may be rehired in accordance with Article 9.03 shall be eligible for the benefits of the Plan commencing on the first day of his/her recall or rehire. Laid off employees receiving coverage shall be covered to the end of the month in which the layoff occurs.

19.08 Premiums - The Company will pay one hundred percent (100%) of the cost of the premium for the benefits provided above.

19.09 Health and Welfare Brochures outlining benefit coverage will be distributed with the Collective Agreement and will be made available at the request of an Employee within thirty (30) days after ratification.

ARTICLE 20 - SAVINGS CLAUSE

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

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

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

20.04 In the event that any Article or section is held invalid or enforcement of or compliance with which has been restrained, as above set forth, the parties affected thereby shall enter into immediate collective bargaining negotiations, upon the request of the Union, for the purpose of arriving at a mutually satisfactory replacement for such Article or section during

the period of invalidity or restraint. If the parties do not agree on a mutually satisfactory replacement, they shall submit the dispute to the Grievance Procedure.

ARTICLE 21 - DURATION

- 21.01 This Agreement shall be in full force and effect from and including **March 17, 2003**, to and including **March 31, 2005**, and shall continue in full force and effect from year to year thereafter subject to the right of either Party to this Agreement within four (4) months immediately preceding the date **March 31, 2005**, or immediately preceding the anniversary date in any year thereafter, by written notice to the other Party, require the other Party to commence collective bargaining with a view to the conclusion of a renewal or revision of the Collective Agreement or a new Collective Agreement.
- 21.02 Should either Party give written notice to the other Party pursuant hereto, this Agreement shall thereafter continue in full force and effect until the Union shall strike, or the Company shall lockout, or the Parties shall conclude a renewal or revision of the Agreement or a new Collective Agreement.
- 21.03 By agreement of the Parties hereto, the provisions of Section 50 (2) and (3) of the Labour Relations Code of British Columbia are specifically excluded.

Signed this _____ day of _____, 2003.

CANADIAN HEATING PRODUCTS INC.

INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL 115

APPENDIX "A"

CLASSIFICATION	<i>Mar. 17/03</i>	<i>Jan. 1/04</i>	<i>Jan. 1/05</i>
Journeyman: Machinist Tool & Die Maker	21.31	21.61	21.92
Charge Hand	18.39	18.65	18.91
Lead Hand	16.71	16.94	17.18
Painter Start	15.38	15.60	15.82
After 6 months	15.84	16.06	16.29
Maintenance	15.61	15.82	16.05
Materials Handler	15.05	15.26	15.47
Shipper	15.05	15.26	15.47
Welder Start	14.33	14.53	14.73
After 6 months	14.77	14.98	15.19
Truck Driver - 5 ton Start	12.18	12.35	12.52
After 6 months	12.91	13.09	13.27
Machine Setup Operator	15.25	15.46	15.68
Production Worker Start	10.05	10.19	10.33
After 12 months	10.63	10.78	10.93
After 18 months	11.28	11.43	11.59
After 24 months	12.18	12.35	12.52
After 36 months	12.91	13.09	13.27
After 42 months	13.69	13.88	14.07
After 48 months	14.49	14.69	14.90
Janitor	9.65	9.79	9.93

It is agreed that anyone currently making more than their classified hourly rate shall be red-circled (i.e. maintain rate and attract all increases).

Each employee who has completed their probationary period shall receive a \$275.00 signing bonus.

APPENDIX "B"

APPRENTICES:

- (a) All Apprentices employed by the Company shall be indentured to the Operating Engineers' Joint Apprenticeship Board within sixty (60) days of his apprenticeship in accordance with the provisions of the Operating Engineers' Apprenticeship Plan.
- (b) The length of an Apprenticeship contract for a given trade shall be in accordance with the rules and regulations of the Provincial Apprenticeship Branch unless specified otherwise in the Operating Engineers' Apprenticeship Plan or in this Appendix.
- (c) Any registered Apprentice who, as a requirement of his Apprenticeship, attends school shall be paid his regular wages by the Company, based on a forty (40) hour week, while attending school. This pay shall only apply for up to a maximum of five (5) weeks in each calendar year and the amount of any Government grant received by such Apprentice shall be deducted therefrom.
- (d) An Apprentice, having served his required time and having passed any necessary examinations presented by the Apprenticeship and Industrial Training Branch of the Department of Labour, will automatically be classified as a Journeyman.
- (e) The number of Apprentices employed shall not exceed the ratio of one (1) Apprentice to each four (4) Journeymen.
- (f) A Welding Apprenticeship Contract shall be for a term of two (2) years provided the prospective Apprentice has a minimum of six (6) months Technical Welding Training in a Provincial Vocational School.
- (g) The wage rate for an Apprentice shall be based on a percentage of the Journeyman's wage rate and where applicable the following scales shall apply:

1st 6 months -	50% of Journeyman rate
2nd 6 months -	55% of Journeyman rate
3rd 6 months -	60% of Journeyman rate
4th 6 months -	65% of Journeyman rate
5th 6 months -	70% of Journeyman rate
6th 6 months -	75% of Journeyman rate
7th 6 months -	80% of Journeyman rate
8th 6 months -	90% of Journeyman rate

LETTER OF UNDERSTANDING #1

BY AND BETWEEN:

CANADIAN HEATING PRODUCTS INC.

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

RE: ARTICLE 2.03

It is hereby understood by the above mentioned parties that the current management - Dan Binzer **and Rick Stokes** may continue to perform hands on services in the plant. This practice shall not exceed the boundaries of what was normally performed in the past.

The purpose of this practice is to direct, train or assist an employee as necessary or to perform any work that does not require the services of a full time employee within the bargaining unit.

Prototype practices will remain in place and be performed with bargaining unit employees, with Scott Baron and/or the management listed above.

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

CANADIAN HEATING PRODUCTS INC.

INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL 115

LETTER OF UNDERSTANDING #2

BY AND BETWEEN:

CANADIAN HEATING PRODUCTS INC.

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

RE: PRODUCTION DEPARTMENTS

Current Production Departments are identified as follows:

- Premium*
- Burner
- Door
- Shipping
- DV Assembly
- Pipe Shop/Burner*

The Employer shall consult with the Union prior to any revisions or deletions to the departmental listing.

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

CANADIAN HEATING PRODUCTS INC.

INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL 115

LETTER OF UNDERSTANDING #3

BY AND BETWEEN:

CANADIAN HEATING PRODUCTS INC.

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

As of the date of ratification of the new 2003 Collective Agreement, Lead Hands employed in departments of less than five (5) employees shall maintain their Lead Hand classification.

Signed this _____ day of _____, 2003.

CANADIAN HEATING PRODUCTS INC.

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

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