

MEMORANDUM OF AGREEMENT

BETWEEN: WESTERN EMPLOYERS LABOUR RELATIONS ASSOCIATION

(for and on behalf of Kay-Son Steel Fabricators Ltd.)

(hereinafter referred to as "the Company")

AND: THE UNITED STEELWORKERS OF AMERICA

(for and on behalf of Local Union 2952)

(hereinafter referred to as "the Union")

The Parties herein agree to the terms of the Memorandum as constituting full settlement of all matters in dispute.

The undersigned representatives of the Parties do hereby agree to recommend complete acceptance of all the terms of this Memorandum to their respective principals.

The Parties herein agree that the new Collective Agreement, February 15, 2004 to March 31, 2005 shall include the terms of the previous Collective Agreement which expired on January 31, 2002, provided however that the following amendments are incorporated.

On Expiry of the Collective Agreement, March 31, 2005 all terms and conditions contained in the 1999 – 2002 Collective Agreement will be reinstated.

6.01 All employees covered by this Agreement will receive eight (8) hours' pay at their regular straight time rates for each of the following Plant Holidays (regardless of the day on which the holiday falls) in addition to any wages which they may be in receipt of for work performed on such holidays:

- | | | |
|-------------------|---------------------|------------------|
| 1. New Year's Day | 5. BC Day | 9. Christmas Day |
| 2. Good Friday | 6. Labour Day | 10. Boxing Day |
| 3. Victoria Day | 7. Thanksgiving Day | |
| 4. Canada Day | 8. Remembrance Day | |

and any other day declared a Statutory Holiday by the Provincial and/or Federal Government.

6.06 Employees not actively employed because of:

- Lay-off
- Unpaid leave of absence
- Illness) and not eligible for W.C.B. payments for
- Injury) for the involved Plant Holiday(s)

and who work the day following the Plant Holiday in question, will qualify for Plant Holiday pay for such Plant Holiday.

ARTICLE 7 - VACATIONS WITH PAY

7.01 Employees will receive vacations and be paid for the vacation in accordance with the following schedule:

<u>Years of Continuous Service</u>	<u>Vacation Period</u>	<u>Vacation Pay</u>
Less than one year	1 day for each major fraction of month worked (max. 10 working days)	4%
1 year but less than 7 years	2 weeks	4%
7 years less than 14 years	3 weeks	6%
14 years but less than 18 years	4 weeks	8%
18 years but less than 30 years	5 weeks	10%
30 years and over	6 weeks	12%

7.08 **VACATION PAY - ON TERMINATION** - Employees who leave the employ of the Company will be paid vacation pay at the time of severance on the following percentage basis on the earnings of the employee for which vacation pay has not been previously paid.

Less than 7 years employment	4%
7 years but less than 14 years employment	6%
14 years but less than 18 years employment	8%
18 years but less than 30 years employment	10%
Over 30 years employment	12%

8.01 (c) **PROBATIONARY PERIOD** - Seniority of each employee covered by this Agreement will be established after a probationary period of one hundred and twenty (120) days worked which may be accumulated over a period of twelve (12) months.

(Delete)

9.09 **SAFETY BOOT ALLOWANCE AND COVERALL ALLOWANCE** - Each employee will receive ten cents (\$.10) per hour paid as an allowance for the purchase of coveralls and safety boots paid on each cheque.

(Delete)

10.07 **JURY DUTY** - If an employee is summoned or subpoenaed for jury selection or for jury duty, the Company will grant the employee leave of absence with pay, which will be the difference between his regular pay and the monies received for jury duty.

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

10.15 **EDUCATION AND TRAINING FUND**

(i) The Employer shall contribute to the Union the sum of two point five cents (\$.025) per hour per employee for each hour worked for education and training of Union members.

(ii) The money shall be made payable to Local Union 2952 Education and Training Fund, 7820 Edmonds Street, Burnaby, BC, V3N 1B8 and shall be remitted by the 15th of each month for the previous month and the Employer shall provide necessary information regarding amounts paid for each employee.

(iii) Upon request but no less than once each contract year the Union shall provide the Company with an accounting of the fund disbursements.

13.02 Any matter referred to arbitration, as provided in 13.01 hereof, shall be submitted to a single arbitrator selected from the following list:

1. Vince Ready
2. Don Munroe
3. Colin Taylor
4. Ron Keras
5. Rick Coleman

ARTICLE 14 - INSURANCE AND MEDICAL PLAN

14.01 A Medical and Insurance Plan will be maintained in accordance with the following:

14.02 **BOARD OF TRUSTEES** - A Board of Trustees, composed of three (3) members representing Metal Industries Association and three (3) members representing the United Steelworkers of America, is responsible for the administration, and supervision of the Plan.

14.03 **COVERAGE**

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

EXTENDED HEALTH BENEFITS (\$25.00 deductible - 70% reimbursement)

INSURANCE COVERAGE

1	LIFE INSURANCE	\$45,000.00
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2	A.D. & D.	\$45,000.00
3	WEEKLY INDEMNITY	\$475.00 [2 weeks WI (475), 15 Weeks EI (413) and then 24 Weeks WI (475)]

* Indexed to E.I. maximum if amount above exceeded.

4 Sub-Sections 2 and 3 above will not apply when Workers' Compensation is payable.

14.04 **GENERAL PRINCIPLES**

- 1 Premium costs of both the Medical and Insurance Plans will be paid:
Employer 100%
- 2 Participation in the Plan will be a condition of employment.
Employees have the option to opt out of the Medical Services Plan provided they have alternate coverage.
- 3 Coverage will be portable between companies.
- 4 (a) Coverage will be provided during lay-off, up to a cumulative maximum of three (3) months, in a calendar year, beyond the current month of lay-off.

(b) Coverage during lay-off will be supplied without charge to the parties.

14.05 **INSURANCE COVERAGE COMMENCES** - Immediately for employees presently covered and on lay off from another company participating in this Plan.

Three (3) month waiting period for employees first entering the employ of a company participating in this Plan.

Three (3) month waiting period for employees who have been on lay-off beyond their seniority retention period.

ARTICLE 15 - DENTAL PLAN

15.01 The Employer will supply a dental plan through the Metal Industries Association as follows:

15.02 **COVERAGE**

BASIC DENTAL	80%
PROSTHETIC APPLIANCES AND CROWN AND BRIDGE PROCEDURES	50%

15.03 **PREMIUM DIVISION**

Employer	100%
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15.04 **PARTICIPATION** - A condition of employment.

15.05 **EFFECTIVE DATE** - For new employees dental coverage will commence on the first of the month following three (3) months of employment.

15.06 An annual financial statement will be supplied to any Union whose members are covered under this Plan and a named Union representative may obtain knowledge of the Plan and discuss claims with the underwriter.

ARTICLE 19 - PENSION

- 19.01 The Pension Plan Agreement made between the Company and the United Steelworkers of America on the 16th day of November, A.D.1959, (including any subsequent amendments thereof) a copy of which is annexed hereto, is a part of this Collective Agreement and the Parties to this Collective Agreement are bound by the terms thereof subject to the provisions of the Collective Agreement.
- 19.02 The Union shall have sole responsibility for the naming of trustees and the operation of the Pension Plan and the Company shall have no responsibility for the operation of the Pension Plan save for the payment of contributions as set forth in this Article. Amendments to the Pension Plan made by the trustees after (whatever date the Plan is amended), which may have an effect upon the Company's responsibility toward the Plan, over and above the contributions required in this Article, shall have no effect on the Company unless specifically agreed to by the Company prior to the amendment being made.
- 19.03 The Company will pay fifty cents (\$0.50) per hour pension contribution on behalf of members of the Pension Plan.

ARTICLE 22 - DURATION OF AGREEMENT

- 22.01 This Agreement shall be for the period from and including February 15, 2004 to and including March 31st, 2005, and from year to year thereafter subject to the right of either Party to the Agreement within four (4) months immediately preceding the date of expiry of this Agreement, which is March 31st, 2005, or immediately preceding the last day of January in any year thereafter, by written notice to require the other Party to the Agreement to commence collective bargaining.
- 22.02 Should either Party give written notice to the other Party pursuant hereto, this Agreement shall thereafter continue in full force and effect until the Union shall give notice of strike or the Employer shall give notice of lockout or the Parties shall conclude a renewal or revision of this Agreement or a new Collective Agreement whichever shall first occur.
- 22.03 The operation of Section 50 (2) and (3) of the Labour Relations Code is hereby excluded.

Signed this _____ day of _____, 2004

**UNITED STEELWORKERS OF AMERICA
ON BEHALF OF LOCAL UNION 2952**

**WESTERN EMPLOYERS LABOUR
RELATIONS ASSOCIATION**

KAY-SON STEEL FABRICATORS LTD.

KAY-SON STEEL FABRICATORS LTD., LOCAL 2952

APPENDIX "A"

WAGE SCHEDULE

<u>GROUP</u>	<u>CLASSIFICATIONS</u>	<u>March 1, 2004</u>
1	*Journeyman-Tradesman Apprentice-Trained Steel Fabricator Steel Fabricator Fitter I	\$ 23.00
2	Fitter II Layout II Welder	\$ 21.22
3	Burner	\$ n/a
4	Painter Bullmoose Operator	\$ n/a
5	Helper	\$ 16.75
6	Labourer	\$ 13.00

- *A.01 (a) The classification of Journeyman-Tradesman shall apply to those employees who are or who become certified in their trade.
- (b) Employees not classed as Journeyman-Tradesman, and who claim they are proficient to perform the work required in their trade may appeal through the Grievance Procedure, such grievance to be initiated in the second step of the Grievance Procedure. The Parties are agreed that should the grievance proceed to arbitration they shall mutually appoint a single arbitrator, to be decided upon by the Union and the Association to adjudicate the dispute. The single arbitrator so appointed shall be qualified to give an examination in the trade in question. The decision of the person so selected shall be final and binding on the Parties.