

AGREEMENT

This Collective Agreement dated for reference the 1st day of ***December, 2004*** and named for reference the **HAAKON MANUFACTURING AGREEMENT**

BY AND BETWEEN:

HAAKON INDUSTRIES (CANADA) LTD.

(Hereinafter referred to as the "Company" or the "Employer")

AND:

**SHEET METAL WORKERS' INTERNATIONAL ASSOCIATION
LOCAL UNION NO. 280**

(Hereinafter referred to as the "Union")

Establishes by mutual consent the following terms and conditions:

ARTICLE 1 - PREAMBLE

- A. The general purpose of this Agreement is to establish uniform and fair wages, hours and working conditions for all employees of the Company covered by the terms of this Agreement; to prevent strikes and lockouts by peaceful adjustment of all grievances and disputes which may arise between Employer and employee; and to prevent waste, unnecessary and avoidable delays and expense so that labour or other costs may be as low as possible, consistent with fair wages and working conditions.
- B. This is a multi-purpose Agreement that is applicable in its general form to manufacturers of "production" sheet metal, plastic and related products. Also, it may be applicable to maintenance and other services. It applies only indirectly to the sheet metal trade of the building and construction industry. The employee members directly covered shall be termed "Production Workers", shall not be required to qualify as Sheet Metal Worker or Roofer, and shall not be required to qualify as Sheet Metal Workers or Roofers under the terms of the Apprenticeship and Tradesmen's Qualification Act.

ARTICLE 2 - SCOPE OF AGREEMENT

- A. This Agreement shall apply to all employees engaged in fabrication, production, servicing and related work in or from the shop or plant of the Employer, excluding Management personnel, office staff and Journeymen Sheet Metal Workers, Roofers and their Apprentices, hired in accordance with Sections "C" and "D" of this Article.
- B. A general list of the products fabricated or services rendered with description of the type of plant is contained in Schedule "D", attached to and part of this Agreement. Such products shall be termed "Production" articles.
- C. All fabrication work falling within the regular jurisdiction of the sheet metal trade and coming in direct competition with Employers signatory to the Standard Forms of Agreement of Local Union No. 280 (e.g. ventilation and air conditioning fittings, etc., general sheet metal and jobbing work) shall be paid at the rate and conditions of the Standard Agreements.
- D. All field work coming within the trade jurisdiction of the Sheet Metal Worker or Roofer of the building and construction industry shall be done by Journeypersons of Local Union No. 280 at the appropriate rate and conditions.

If no Journeypersons are available that are qualified for the work, then qualified plant employees may be employed in the field, provided due notice is given to the Union. All such work shall bear the rate and conditions of the Journeyperson or Apprentice as outlined in the Standard Agreement of Local Union No. 280.

ARTICLE 2 - SCOPE OF AGREEMENT (continued)

All employees required to hold a Sheet Metal Tradesmen's Qualification Certificate under the terms of the Apprenticeship and Tradesmen's Qualification Act shall be Journeyman members of Local Union No. 280 and shall be employed in accordance with the terms of the Standard Agreement (Sheet Metal) of Local Union No. 280.

ARTICLE 3 - MANAGEMENT RIGHTS

- A. Within the framework of this Agreement, the Company reserves the exclusive right to manage the business, to decide the products it will manufacture, the services it will render, the methods by which the work will be done and the general standards of workmanship.
- B. Also, within the framework of this Agreement, the Company reserves the right to engage, discharge, suspend or discipline employees for just cause, to promote or transfer employees from one department to another, to increase or decrease the working force and to make reasonable rules for the safety of the plant and for the guidance and safety of its employees.

ARTICLE 4 - UNION SECURITY

- A. The Union shall be the sole bargaining authority for all employees covered by this Agreement, and it is agreed that all present and future employees coming under the scope and provisions of this Agreement shall become members of, and/or maintain membership in the Union.

All new employees shall be informed of this Section.

Union membership will be available to all on an equal basis without discrimination, subject only to the By-Laws and Constitution of the Union.

- B. The Company agrees to notify the Union when additional employees are required; it is understood, however, that in the event that the Union is unable to supply the requirements of the Company for additional employees after reasonable notice (forty-eight (48) hours), these additional employees may be secured from other sources, provided that the employees so obtained shall first obtain a "clearance" from the Union.

This obtaining of a "clearance" from the Union shall ensure that all employees are proper members or applicant-members of the Union and have properly signed appropriate dues check-off cards. Where, due to distance involved and where a hardship would be evident for a potential employee to obtain "clearance" from the Union Office, arrangements may be made for proper "sign-up" by the responsible Shop Steward.

ARTICLE 4 - UNION SECURITY (continued)

- C. The Company agrees to deduct each month from the earnings of each and every employee covered by this Agreement, such sum by way of monthly dues as may be fixed by the Union, or such sum as payment or partial payment on an initiation fee as may be fixed by the Union under the provisions of its Constitution.

The total monthly amount to be deducted shall be deducted from the first pay of the month of each employee and promptly remitted to the Union by the fifteenth (15th) day of the month following that which contributions cover, together with an itemized list of the names of the employees to whom said monies are to be credited. Should any employee have no earnings due him on the first pay of the month, deductions shall be made from the next succeeding pay of the employee.

- D. The Company agrees to deduct in each pay period from the earnings of each applicant member covered by this agreement an amount equal to the monthly dues fixed by the Union under the provisions of its Constitution until the initiation fees are paid. This amount will be remitted to the Union within 15 days of deduction.

ARTICLE 5 - REPRESENTATION

- A. Business Representatives of the Union shall have access to the shop or plant during lunch hours for conducting Union business, but at other times shall first ask permission of the Management.
- B. A Shop Steward shall be recognized and shall not be discriminated against for the performance of his duties within the terms of this Agreement.
- C. The employees of the Company who are Production members of the Union shall elect a Shop Committee consisting of a Chairman and two (2) members, and the Company shall recognize same.
- D. The Chairman of this Committee shall be considered the Shop Steward.
- E. Management-Shop Committee meetings shall be held when so desired by the Shop Committee Chairman and/or Management. These joint meetings shall consist of the Shop Committee members, the Shop Foreman or Superintendent, a responsible Manager or Director of the Company and the Business Representative of the Union if able to attend. Meetings shall be held as necessary on Thursday, preferably at 4:15 p.m., but not more often than once a week.
- F. These joint meetings shall handle and process any grievances as outlined in the following Article. Questions of safety, health, etc. shall be proper topics of discussion and settlement by these joint meetings. The joint meeting shall also function as a Production Committee, as both parties to this Agreement commit themselves to the fullest cooperation with the object of maintaining efficient and uninterrupted production in the plant.

ARTICLE 6 - GRIEVANCE PROCEDURE

- A. "Grievance" shall mean any difference or controversy by and/or between the persons or parties bound by this Agreement, concerning its terms, interpretation, application, operation or alleged violation thereof. It shall further mean differences concerning alleged violation of existing social or labour legislation.
- B. Attempts shall be made in the first instance to settle all grievances by informal discussion between the Parties hereto. Except in the case of wage claims or claims on fund payments, all grievances shall be first presented within thirty (30) days of awareness by the aggrieved or judged to be abandoned.
- C. Should informal discussion fail to achieve a solution, either Party may invoke a sitting of a Special Joint Committee composed of six (6) persons; three (3) persons to be nominated by each Party. This Joint Committee shall meet within three (3) days of its invocation. If this Joint Committee should fail to effect a settlement, the grievance may be referred to an Arbitration Board by either Party.

ARTICLE 7 - ARBITRATION

- A. When requesting arbitration of the other Party to a dispute, the requesting party shall, at the same time and in the same communication, state who its nominee on the Arbitration Board shall be.
- B. Upon receipt of the above communication, the other Party shall, within five (5) days, inform the initiating Party of its nominee to the Arbitration Board.
- C. The Labour Relations Board shall be asked to appoint a nominee if the conditions of Subsection "B" above are not met within the required time.
- D. The two (2) nominees or appointees shall, within five (5) days, endeavor to agree upon a Chairman; if they are unable to do so within the required time, the Minister of Labour shall be requested to appoint a Chairman.
- E. The Arbitration Board shall meet and render their decision within ten (10) days of the Chairman's appointment, unless an extension of time is mutually agreed upon.
- F. The question of whether a particular dispute is arbitrable, is itself a matter for the Arbitration Board.
- G. Each party shall stand the cost and expense of its own nominee to an Arbitration Board and one-half (1/2) the cost and expense of the Chairman.
- H. The decision of the Arbitration Board shall be final and binding on all Parties.

ARTICLE 8 - WAGE RATES AND CLASSIFICATIONS

- A. Wage rates shall be as shown in Schedule "A", attached to and part of this Agreement.
- B. Labour classifications shall be as laid out in Schedule "B", attached to and part of this Agreement.

Should new classifications be required that do not obviously fit into the attached Schedule of Classification, the Union and the Company shall immediately sit down and negotiate a satisfactory name and wage rate for such new classification. The agreed rate will become part of this Agreement.

ARTICLE 9 - HOURS OF WORK, OVERTIME AND SHIFT WORK

- A. Eight (8) hours shall constitute a regular workday ***and a half-hour lunch break is provided near the middle of the day shift.*** Actual shift times to be as mutually agreed upon between the Employer, Union and Employees on the basis of a regular workweek consisting of forty (40) hours. Approval from the Union will not be unreasonably withheld.
- B. All overtime shall be paid for at the rate of one hundred and fifty percent (150%) of the appropriate wage rate for the first two (2) hours, and at two hundred percent (200%) for any additional hours worked in the day. Saturdays will be paid at one hundred and fifty percent (150%) of the appropriate wage rate for the first eight (8) hours; all hours worked over eight (8) hours will be paid at two hundred percent (200%). Sundays and Statutory Holidays shall be paid at two hundred percent (200%) of the appropriate wage rate. All work performed outside the regular hours of labour (except as noted in Section "C" of this Article) and all work performed on Saturdays, Sundays and Statutory Holidays shall be considered as overtime.

Employees at their request can bank overtime rather than be paid during the regular pay period. The banked overtime must be used in quantities and at times that are mutually agreed between the Company and the employee. Normally the overtime should be used in full days. Banked overtime must either be used or requested to be paid out prior to February 28th of every year.

- C. When it is found necessary to work what is generally known as a second or third shift, the hours of work and payment thereof shall be as follows:

ARTICLE 9 - HOURS OF WORK, OVERTIME AND SHIFT WORK (continued)

Seven and one-half (7 1/2) hours shall constitute the second shift for which one hundred and ten percent (110%) on all hours shall be paid. The second shift shall be 3:30 p.m. to 1:00 a.m. Mondays, Tuesdays and Wednesdays and 3:30 p.m. to 12:30 a.m. on Thursdays.

Seven (7) hours shall constitute the third shift for which one hundred and eighteen percent (118%) on all hours shall be paid.

The shift for painters and their helpers shall be either Mondays through Thursdays from 7 P.M. to 4:30 A.M. or Tuesdays through Fridays, with mutual consent between the Employer, Union and Employees, as may be required. The shift premium for the painters and helpers shall be 118%.

- D. Should any employee covered by the terms of this Agreement be transferred from one shift to another, it must be for a period of three (3) consecutive working days with an eight (8) hour break between shift or the usual overtime rates will be paid.
- E. The graveyard shift will commence their regular work week on Sunday night at 12:00 midnight.
- F. When there are **four (4)** to seven (7) men on an afternoon or graveyard shift, one (1) must be designated as a Lead Hand. If there are over seven (7) on these shifts, one (1) must be designated as a Foreman. Lead Hands and Foremen for all shifts, including day shift, shall be named and posted on the Union bulletin board.
- G. Shiftwork, wherever possible, will be for a four week minimum duration; shiftwork is a condition of employment.
- H. ***Mileage expenses for travel between the plants when required during the shift will be reimbursed at \$.32/km. Use of one's personal vehicle is voluntary.***

ARTICLE 10 - HOLIDAYS AND VACATIONS

- A. The recognized "Statutory Holidays" that shall be observed are: New Year's Day, Good Friday, Easter Monday, Victoria Day, Dominion Day, B.C. Day, Labour Day, Thanksgiving Day, Remembrance Day, Christmas Day, Boxing Day and any other day declared as such by the Provincial or Federal Governments. In the Yukon this shall mean the Territorial or Federal Governments.

If a Statutory Holiday(s) should fall on a Saturday or a Sunday, the following work day(s) shall be observed.

No work shall be performed on Labour Day, except to preserve life or property.

ARTICLE 10 - HOLIDAYS AND VACATIONS (continued)

- B. Employees shall receive two (2) weeks annual vacation. Employees having three (3) years of service shall receive three (3) weeks annual vacation.

While the annual vacation may be taken in more than one (1) period, it shall not be unduly fragmented.

It shall be a violation of this Agreement for an employee to forego his paid vacation or to work for wages during his vacation period.

When the vacation is taken shall be determined by mutual agreement between the Employer and the employee.

- C. Employees shall receive combined Holiday and Vacation Pay paid on gross earnings as follows:

Up to three (3) years	eight point two percent (8.2%)
After three (3) years	ten point two percent (10.2%)

This shall represent 4.2% for statutory holidays, four percent (4%) for two (2) weeks holidays and six percent (6%) for three (3) weeks holidays.

The foregoing Holiday and Vacation Pay shall be paid to the employee on each and every paycheque.

ARTICLE 11 – HEALTH BENEFIT FUND

- A. Employees will go on the Corporate Health **Benefit** Plan in accordance with the terms of the Plan.
- B. *Employees who choose to have coverage under the Local 280 Health Benefit Plan, if accepted upon application to the SMW Local 280 Health Benefit Plan, can obtain this coverage by contributing the additional cost over the Corporate Health Benefit Plan.***

ARTICLE 12 - PENSION FUND

- A. *Employees (not covered under the Local 280 Pension Plan) having completed three (3) years of service will receive a matching company contribution of 1.5% of their earnings contributed to the group RRSP. A minimum 1.5% employee paid contribution is required to receive the full matching 1.5% company contribution. Employees having completed five (5) years of service will receive 3% of their earnings (non-matching) contributed to the company self-directed group RRSP.***
- B. *Following six (6) months of employment, employees will be eligible to make voluntary contributions to the Company self-directed RRSP.***

ARTICLE 13 - REST PERIODS

- A. Employees shall be entitled to two (2) rest periods of ten (10) minutes each per day; one (1) period before and one (1) period after lunch break.

ARTICLE 14 - SAFETY AND HEALTH

- A. All Parties agree to accept, promote and conform to the Accident Prevention Regulations of the Workers' Compensation Board.
- B. It is agreed that clean and adequate lunchroom and toilet facilities shall be available to the work force.
- C. The Company to provide all employees (New Hires after their probation period) with coveralls. The Company will replace coveralls on an as needed basis. Employees are expected to wash and maintain their own coveralls.
- D. **All required safety protection, excluding safety boots (ref: sec. G)** to be made available to all employees. **All protective wear** must be turned in and distribution of these items to be controlled by mutual agreement.
- E. Dirty Pay
Employees shall receive thirty cents (\$.30) per hour while welding on G90 galvanized items, with welds two (2) inches or greater in length.
- F. First Aid Attendants
Rate of pay for the designated First Aid Attendant holding Level 3 ticket to be \$0.75 per hour, Level 2 ticket to be \$0.60 per hour, and Level 1 ticket to be \$0.40 per hour.
- G. Each employee, on their anniversary of employment, shall be reimbursed the receipt amount, up to a maximum of \$110 annually, or, once every two years, up to \$220, for the purchase of WCB approved safety boots. This boot allowance will be paid following submission of the receipt for the above-described boots.

ARTICLE 15 - TERMINATION

- A. Employees choosing to terminate their employment with the Company shall give one (1) hour's notice. The Company shall give notice of discharge or layoff to employees as per the Employment Standards Act.

ARTICLE 16 - TOOLS

- A. All employees shall possess, in good condition, at their own expense, a tape measure of a minimum length of 16 feet.

ARTICLE 17 – ACCIDENT

- A. Where an employee is injured during the first half of a shift, they shall be paid a minimum of four (4) hours for that shift. If injured in the second half of the shift, the employee shall be paid a minimum of eight (8) hours for that shift.

ARTICLE 18 - BULLETIN BOARD

- A. A bulletin board shall be made available in each of the manufacturing plant locations for the exclusive use of the union for the posting of this agreement and other Union notices.

ARTICLE 19 - UNION LABEL

- A. During compliance with all the provisions of this Agreement, the Company may by arrangement with the Union display the Union Label of the Sheet Metal Workers International Association on any or all items produced exclusively under the terms of this Agreement.
- B. The Company agrees that all Union Labels shall be the property of the Union and said permission to display the Union Label may be revoked by the Union for causes the Union deems adequate.
- C. The blue Union Label shall be used on "Production" articles. The yellow Label shall only be used on "Trade" articles fabricated in accordance with Article 2, Section "C".

ARTICLE 20 - AMENDMENTS

- A. By mutual agreement between the Parties to this Agreement, any Article or Section thereof may be amended, revised or deleted or new Articles or Sections added during the life of this Agreement.

ARTICLE 21 - TECHNOLOGICAL CHANGE

- A. In view of the possible impact on manpower and conditions of employment resulting from technological changes and automation, it is agreed that the Parties hereto utilize to the best advantage of the Company and the employees all scientific improvements and establish a committee to be known as the Committee on Automation, consisting of equal representation by Employer and the Union. The Committee's duties shall be to investigate and submit recommendations on all aspect of automation, mechanization and new methods and to include the following:

training and retraining
 alternate employment opportunities within the Company

In addition, the Company will, if possible, inform the Committee six (6) months prior to the introduction of any new equipment which will require extensive retraining and will result in loss of employment.

In addition, the Company will co-operate with the Union and the Government in matters of training and retraining.

Both parties further agree to any further requirements stated in the Industrial Relations Act on Technological Change.

ARTICLE 22 - SAVINGS AND DEPOSITION

- A. It is assumed by the Parties hereto that each provision of this Agreement is in conformity with all applicable laws. Should it later be proven that it would be a violation of any legally effective order or statute to comply with any provision or provisions of this Agreement, both Parties agree the Agreement for the purpose of making them conform to such orders or statutes and the other provisions of this Agreement shall not be affected thereby.
- B. Copies of this Agreement shall be deposited with the Minister of Labour of B.C. and the Labour Relations Board.

ARTICLE 23 - JOB OPPORTUNITY

The Company will endeavor to post a 'job opportunity' sheet whenever a plant position is open. Employees demonstrating the best skills, which match the qualifications required, and providing they have a history of good work performances, will be given preference. There will be a thirty (30) calendar day trial period. Should the employee return to his former job he shall be paid his former rate.

ARTICLE 24 - DURATION OF AGREEMENT

- A. All provisions of this Agreement shall be effective as from **December 1, 2004** and for the period ending **November 30, 2007** and shall continue in force and effect from year to year thereafter, unless either Party shall desire a change and shall file notice with the other Party of such a desire within a period of four (4) months prior to November 30th in any year, and the established wage scales and conditions specified herein shall continue in force and effect pending negotiations and settlement of any proposed changes suggested by either Party.

- B. It is mutually agreed that if the term of this Agreement should be for more than one (1) year, that the provisions of Section 50 of the Labour Relations Code shall be excluded from the operation of this Agreement.

ARTICLE 25 – SENIOR EMPLOYEES

All employees employed at May 21, 1998 will have all the terms of this Agreement apply and will enjoy the additional rights listed in Schedule “C”.

IN WITNESS AND TESTIMONY of the provisions and terms mutually agreed upon and specified herein, the duly authorized Officers and/or Representatives of both Parties hereby affix their signatures.

SIGNED this _____ day of _____, 2005.

SIGNED ON BEHALF OF:

HAAKON INDUSTRIES (CANADA) LTD.

SIGNED ON BEHALF OF:

**SHEET METAL WORKERS'
INTERNATIONAL ASSOCIATION
LOCAL UNION NO. 280**

SCHEDULE "A"

CLASSIFICATION	<i>December 1, 2004</i>	<i>November 30, 2005</i>	<i>November 30, 2006</i>
INEXPERIENCED HELP	12.12		
PRODUCTION III	15.34	15.69	16.09
PRODUCTION II	17.36	17.71	18.11
PRODUCTION 1	19.38	19.73	20.13
SHEARMAN/BRAKEMAN 1	19.38	19.73	20.13
SHEARMAN/BRAKEMAN II	16.46	16.81	17.21
PAINTER II	16.46	16.81	17.21
PAINTER I	19.38	19.73	21.13
WELDER II	16.46	16.81	17.21
WELDER I	19.38	19.73	21.13
PIPEFITTER/PLUMBER	18.18		
ELECTRICIAN	19.38	19.73	21.13
ELECTRICIAN HELPER	14.44	14.79	15.19
SHIPPER/RECEIVER	17.36	17.71	18.11
LEAD HAND	21.40	21.75	22.15
FOREMAN	23.00	23.35	23.75

Promotion to a higher category will be at the Employer's option to fill vacancies or expanded production.

The first increase will be paid retroactively from December 1, **2004** for all current employees. New employees must complete their probationary period before qualifying for any rate increases, which may take effect during their probationary period.

Shearperson/Brakeperson II will be increased to the rate of Shearperson/Brakeperson I after three (3) months.

Inexperienced Helpers shall be advanced to another category, based upon their skills and abilities, within nine (9) months of passing their probationary period.

Employees hired in the category of Inexperienced Help will, following completion of their probationary period, receive pay increases shown below.

December 1, 2004	\$0.30
November 30, 2005	\$0.35
November 30, 2006	\$0.40

SCHEDULE "B"**Classification - Definitions****Foreman:**

Generally responsible for the overall operation of the production shop.

Production Lead Hand:

Responsible to the Foreman and charged with direct supervision of the various categories of workmen affected by this Agreement. Must possess a full understanding of all aspects of AHU operation and fabrication.

Production Worker I:

Responsible for and capable of performing the general work of the shop within reasonable time limits under minimum of supervision. Must possess a basic understanding of AHU operation and full understanding of fabrication.

Production Worker II:

Capable of doing specified work under medium supervision of a Production Lead Hand and/or a Production Worker I. Shall be able to do some training of other workers.

Production Worker III:

Capable of doing specified work in conjunction with Lead Hand, Production I or II as instructed under close supervision. Shall not be expected to train other persons more than eight (8) hours per week.

Welder I:

To function principally as does a Production Lead Hand in areas of lay-out, fitting, welding and burning. Understand and work from fabrication drawings and hold certification tickets as required.

Welder II:

To fit, weld, burn or otherwise execute such work as designated and overseen by a Production Worker Lead Hand and/or a Production Welder I and to work in conjunction with a Production Worker I or II.

Painter I:

Must be able to use all types of coating that may be required. Responsible for cleaning, repairs and maintenance of equipment without supervision.

Painter II:

Same as Painter I, but under minimum supervision from Painter I and Foreman. Must be able to do production work when asked.

Inexperienced Helper:

Both parties agree that this category is for the purpose of hiring new employees with no previous experience.

SCHEDULE "B" – Classification – Definitions (continued)**Electrician:**

Responsible to the Foreman and capable of performing wiring and related electrical work as required in the plant within reasonable time limits and at a minimum of supervision. Must possess a recognized certification ticket and required hand tools.

Electrician Helper:

Responsible to the Electrician and capable of panel layout, installing basic lighting circuits and other electrical work as required and supervised by the Electrician.

Pipefitter/Plumber:

Responsible to the Foreman and capable of performing piping and related mechanical work as required in the plant within reasonable time limits and at a minimum of supervision. Must possess a certification ticket and required hand tools.

Brake Person I:

Responsible to the Lead hand or Foreman, capable of safely maintaining and operating the power brake as required within reasonable time limits and without supervision. Capable of understanding the part requirements and their application.

Brake Person II:

Responsible to the Lead hand, Foreman or Brake Person I, capable of safely maintaining and operating the power brake as required within reasonable time limits and with supervision. Capable of understanding drawings and braking to the required specifications and tolerances.

Shear Person I:

Responsible to the Lead hand or Foreman, capable of safely maintaining and operating the power shear as required within reasonable time limits and without supervision. Capable of understanding the part requirements and their application.

Shear Person II:

Responsible to the Lead hand, Foreman, Brake Person I or Shear Person I, capable of safely maintaining and operating the power shear as required within reasonable time limits and with supervision. Capable of understanding drawings and shearing to the required specifications and tolerances.

Shipper/Receiver:

Responsible for shipping, receiving, inventory and control of stock in warehouse, inspection of received goods for damage and identification of errors or backorders. Must be able to operate a forklift and overhead crane.

A written review will be provided to all employees before the end of their probation period, and upon the yearly anniversary of their employment. Shop stewards may be present during these reviews, at the request of the employee. Copies of the employee's reviews may only be made available to the Union with employee's written consent.

SCHEDULE "C"

Additional Rights for employees employed at May 21, 1998 (hereafter referred to as Existing Employees).

ARTICLE 9 – HOURS OF WORK

In addition to Article 9 A, Existing Employees have the option of working thirty-seven and one-half (37 1/2) or forty (40) hours per week. For the day shift overtime to be paid after eight (8) hours. The Existing employees will be expected to work consistent hours. In addition to Article 9 B, Existing Employees shall be paid overtime for all work on Saturdays at two hundred percent (200%).

ARTICLE 10 – HOLIDAYS

In addition to Article 10 A, Existing Employees shall receive Heritage Day (3rd Monday in February), Friday before B.C. Day and the Friday before Labour Day as floater holidays to be used as sick days, or days off with reasonable notice.

In addition to Article 10 C, Existing Employees will receive the following:

Employees shall receive combined Holiday and Vacation Pay at the rate of twelve percent (12%) of gross earnings. This shall represent six percent (6%) for three (3) weeks annual vacation and six percent (6%) for Statutory Holidays.

Upon completion of ten (10) years service, each employee will receive an extra paid day of holidays and then for every two (2) years thereafter the employee will receive an additional extra day of paid holiday up to a maximum of five (5) days. This will be paid at the time the employee takes the holiday.

The foregoing Holiday and Vacation Pay shall be paid to the employee on each and every paycheck.

ARTICLE 11 – HEALTH BENEFIT FUND

For Existing Employees, replace Article 11 with the following:

- A. It is understood by both parties that payments on behalf of all employees covered under this Agreement will be in accordance with the terms of the Standard Sheet Metal Agreement.
- B. These monies will be remitted to the Trustees by the fifteenth (15th) day of the month following that which contributions cover, in the manner provided by the Unified Remittance Form
- C. The **Health Benefit** Fund will provide benefits to employees and participating Employers who become eligible on a schedule to be determined by the Trustees.

SCHEDULE "C" (continued)**ARTICLE 12 – PENSION FUND**

For Existing Employees replace Article 12 with the following:

- A. It is understood by both Parties that payments on behalf of all employees covered under this Agreement will be in accordance with the terms of the Standard Sheet Metal Agreement.

These monies will be remitted to the Trustees by the fifteenth (15th) day of the month following that which contributions cover, in the manner provided by the Unified Remittance form.

ARTICLE 17 - ACCIDENT

For Existing Employees choosing a seven and one-half (7 ½) day – maximum pay to be seven and one-half (7 ½) hours.

In addition to Article 17 A, Existing Employees will receive the following:

- A. Sick Leave

The Employer will cover the first three (3) days of direct wages lost to an employee due to a lengthy illness. This will be limited to a maximum of once a year and only if the employee can show proof from the Health and Welfare Trustees that he has a justifiable claim and will be receiving benefits from their Plan.

- B. Jury Duty

When an employee is called to Jury Duty of Duty as a subpoenaed crown witness, the Company shall reimburse such an employee for differences between his fees for such duty and his regular wages and benefits paid.

- C. Bereavement Leave

The Company will allow three (3) days off with full pay to an active employee in the case of family bereavement. This clause shall not apply when an employee is on vacation or otherwise removed from work. The family shall include father, mother, spouse, son, daughter, brother, sister, grandparents, father-in-law and mother-in-law. The Company at its sole discretion may request proof of bereavement.

SCHEDULE "C" (continued)**ARTICLE 23 – JOB OPPORTUNITY**

For Existing Employees, replaces Article 23 with the following:

The Company will endeavor to post a 'job opportunity sheet' whenever a plant position is open. Employees with the greatest seniority, providing their skills match the qualifications required and providing they have a history of good work performance will be given preference. There will be a thirty calendar day trial period. Should the employee return to his former job he shall have no loss of seniority and be paid his former rate.

SENIORITY

The following will apply to Existing Employees:

- A. The Company shall maintain a seniority list which shall be revised at intervals and which shall be available to the Shop Steward and the Union.
- B. New employees shall be probationary and shall have no seniority until employed for a period of six (6) months, after which time they will acquire six (6) months on the seniority list.
- C. It is agreed that employees with the least seniority will be first affected in case of layoff, unless that employee possesses skills necessary to efficiently perform the work available. An employee who "bumps" another employee with less seniority shall have his wage rate adjusted to the effective wage rate for the work being performed. If, after a two (2) week period the more senior employee is unable to efficiently carry out the required work, the Employer may make the necessary changes regarding layoff with respect to skill and ability. Employees with the greatest seniority shall be recalled, providing that employee is satisfactorily able and qualified to efficiently perform the work available.
- D. Employees shall lose seniority rights for any of the following reasons: quitting, discharge for just cause, layoff of longer than one (1) year, failure to report to work within three (3) days of recall without satisfactory explanation, absence from work for more than three (3) days without satisfactory explanation or a doctor's certificate.

SCHEDULE "A"

Existing Employees will be paid in accordance with the attached Schedules I and II.

SCHEDULE "I"**Wage Rate for Existing Employees**

CLASSIFICATION	<i>December 1, 2004</i>	<i>November 30, 2005</i>	<i>November 30, 2006</i>
FOREMAN	25.18	25.53	25.93
LEADHAND	24.64	24.99	25.39
BRAKEMAN	23.13	23.48	23.88
SHEARMAN	23.13	23.48	23.88
PRODUCTION I	23.13	23.48	23.88
PRODUCTION II	21.94	21.94	21.94
WELDER I	23.74	24.09	24.49
WELDER II	21.92	21.92	21.92
SHIPPER/RECEIVER	21.35	21.70	22.10

Wage classifications shall be reviewed every six (6) months for the first two (2) years of employment and annually thereafter. This review shall be with the Plant Manager and the employee. The Shop Steward shall be present at the employee's request.

Should an employee feel that he is capable to performing work in a higher category, he shall first approach his Foreman. If same employee should decide to go further, he may then approach the Shop Steward who can, if he thinks the employee is capable, approach Management to resolve the case.

SCHEDULE "II"**Classification - Definitions****Foreman:**

Generally responsible for the overall operation of the production shop.

Production Lead Hand:

Responsible to the Foreman and charged with direct supervision of the various categories of workmen affected by this Agreement.

Brakeman:

Responsible to the Foreman and capable of safely maintaining and operating the Power Brake as required within reasonable time limits and at a minimum of supervision.

Shearman:

Responsible to the Foreman and capable of safely maintaining and operating the Power Shear and cut to length line as required within reasonable time limits and at a minimum of supervision.

Production Worker I:

Responsible for and capable of performing the general work of the shop within reasonable time limits under minimum of supervision.

Production Worker II:

Capable of doing specified work under close supervision of a Production Lead Hand and/or a Production Worker I.

Welder I:

To function principally as does a Production Lead Hand in areas of lay-out, fitting, welding and burning.

Welder II:

To fit, weld, burn or otherwise execute such work as designated and overseen by a Production Worker Lead Hand and/or a Production Welder I and to work in conjunction with a Production Worker I or II.

Shipper/Receiver

Responsible for shipping, receiving, inventory and control of stock in warehouse. Responsible for maintenance of forklift. Answers to foreman.

SCHEDULE "D"**Plant Description, "Production" Articles or Services**

The production shop of the Employer is engaged in the manufacture and fabrication of production items for resale as listed below. Also, the custom power shearing and braking of metal items not directly related to the sheet metal trade of the building and construction industry.

1. Standard Access Doors
2. Automatic Dampers (Control, etc.)
3. Grilles
4. Ventilators (Gravity and Powered)
5. Standard Hollow Metal Doors and Frames
6. Machine Guards, when supplied to machinery manufacturing only
7. Raceway Channels and Elbows
8. Lay-in Duct Electrical
9. Electrical Support Channel - Brackets
10. Kick Plates and Corner Guards
11. Pipe Saddles and Hangers (but not for Duct Work)
12. Pipe Clamps and Supports (as above)
13. Gas and Water Tanks
14. Racks and Shelves
15. Hand Rail and Cat Walks
16. Standard Lockers
17. Standard Manufactured Eavestrough and Downpipe
18. Electrical Enclosures
19. Process Control Cabinets and Consoles (Electrical)
20. Sound Attenuators
21. Custom Shearing and Forming - not to include work falling within the jurisdiction of Local 280
22. Steam Cleaning
23. Pans
24. Louvres
25. Dampers (Balancing or Fire)
26. Cab Pattern Work
27. Boat Tanks
28. Convector Covers
29. Coils & Convectors (Fin Tube Type)
30. Penthouse Louvered
31. Painting
32. Air Diffusers - Grills - Registers
33. Radiator and Air Conditioning (Enclosures)
34. Dust Collecting System (Bag Houses)
35. Air Handling Equipment

HAAKON INDUSTRIES**SENIORITY LIST AS OF DECEMBER 1, 2004**

1.	K. CAWKER	June 16, 1986	FOREMAN
2.	B. TURNER	August 6, 1985	
3.	B. RAINE	August 21, 1985	
4.	R. MORGAN	May 11, 1987	
5.	R. KROPP	July 7, 1987	
6.	S. MOIMOI	September 6, 1988	
7.	C. CADEZ	September 13, 1988	
8.	R. GLEBE	September 11, 1989	
9.	A. WELLS	July 28, 1991	