

COLLECTIVE AGREEMENT

Between

KAY-SON STEEL FABRICATORS LTD.

Represented By

WESTERN EMPLOYERS LABOUR RELATIONS ASSOCIATION

and

UNITED STEELWORKERS OF AMERICA

LOCAL NO. 2952

April 1, 2005 – March 31, 2006

Errors & Omissions Excepted

cope-343

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COLLECTIVE 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, LOCAL 2952

(hereinafter referred to as "the Union")

DATE AND REFERENCE This Agreement is dated for reference **April 1, 2005** and named for reference the "WESTERN EMPLOYERS LABOUR RELATIONS ASSOCIATION (Kay-Son Steel Fabricators Ltd.) - UNITED STEELWORKERS AGREEMENT".

WITNESSETH:

WHEREAS it is the intent and purpose of the Parties hereto that this Agreement will promote and improve industrial and economic relationships between the Company and the Union, and to set forth herein the basic Agreement covering rates of pay, hours of work, and conditions of employment to be observed between the Parties hereto.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein set forth, the Parties hereto mutually agree as follows:

ARTICLE 1 - BARGAINING AGENCY AND RECOGNITION

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

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

If a grievance originates from this subsection it will be instituted at Step #2 of the grievance procedure.

1.03 **PICKET LINE** No employee shall be required to cross a legal picket line which has been recognized by the Union.

ARTICLE 2 - DEFINITION OF EMPLOYEE

2.01 The term "employee" as used in and for the purpose of this Agreement shall include those employees of the Company at and from the Company's present or relocated premises for which the Union is certified, except those employees excluded by the Labour Relations Code.

ARTICLE 3 - MANAGEMENT

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

ARTICLE 4 - UNION SECURITY PROVISIONS

4.01 Membership

The Company agrees that all employees covered under this Agreement, and all new employees hired subsequent to the effective date of this Agreement shall, as a condition of their hiring or continued employment:

- (a) authorize the Company in writing to deduct union dues from their pay. The Union will provide a *Check-off Authorization* to the Company for this purpose, the “copy” portion of which is to be mailed by the Company to the servicing staff office of the United Steelworkers at 7820 Edmonds Street, Burnaby, B.C. V3N 1B8.
- (b) become members of the Union within thirty (30) days from their effective date of hire, and remain members of the Union in good standing.
- (c) complete and sign a Union Death Benefit card provided by the Union to the Company for such purpose, which will be mailed to the servicing staff office with the Union portion of the Check-off Authorization as per Article 4.01 (a).

4.02 Check-Off: Process and Procedures

- (a) The Company shall deduct from the pay of each member of the bargaining unit, an amount equivalent to the monthly dues, fees and assessments prescribed by the International Constitution of the United Steelworkers of America.
- (b) The Union will give reasonable notice to the Company of any changes in Union dues, fees or other amounts which the Company is required to deduct. All changes will coincide with the beginning of the Company's next pay period.
- (c) No later than ten (10) days following the last dues deduction of the month, the dues so deducted shall be made payable and remitted to:

International Secretary-Treasurer
United Steelworkers of America
Unit D, Box 34223
Vancouver, B.C. V6J 4N1

- (d) The monthly remittance shall be accompanied by a completed USWA R115 Form (a summary of the dues calculations made for the month, each month), as well as a statement showing the names of each employee from whose pay deductions have been made and the total deducted for the month. Such statements shall also list the names of the employees from whom no deductions have been made and the reason why, ie. W.C.B., W.I., laid off, etc.
- (e) A duplicate R115 Form and employee deduction statement as in (d) above shall be forwarded by facsimile to:
 - (i) United Steelworkers of America, Local Union 2952
Attention: Financial Secretary at fax number 604-525-4568, and

- (ii) United Steelworkers of America, Servicing Staff Office
Attention: Randy Gatzka at fax number 604-525-4568.
- (f) The Company agrees to print the amount of total deductions paid by each employee for the previous calendar year on their annual statement of Remuneration (T4 Slip).
- (g) The Union agrees to indemnify and save the Company harmless against all claims or other forms of liability that may arise out of, or by reason of deductions made or payments in accordance with this Article.

ARTICLE 5 - HOURS OF WORK

5.01 DAY SHIFT The standard work day will consist of eight (8) hours worked between the hours of 7:00 a.m. and 4:30 p.m. with a designated thirty (30) minute lunch period. Starting and stopping times to be determined by mutual agreement between the Company and the shop employees.

5.02 AFTERNOON SHIFT

Afternoon shift will consist of 9 shifts of 9 hours each for which 8 1/2 hours will be paid totaling 76 1/2 hours in a pay period. Afternoon shift will not work the tenth shift which will occur on the Friday following payday.

Afternoon shift will receive a shift premium of \$1.00 per hour.

Each employee who works the full 76 1/2 hours will receive 80 hours credit for shift differentials and pension contributions.

When a Statutory Holiday falls in the pay period the employee will be paid 8 1/2 hours for that day. If a Statutory Holiday falls on the Friday after payday, the Holiday will be taken on the following Monday at the Company's discretion.

Employees must work seventy-six and one-half (76 ½) hours before overtime is paid.

The shift will run from 4:00 p.m. to 1:00 a.m. There will be a ten (10) minute coffee break at 6:30 p.m. A half-hour (1/2) hour lunch break at 9:00 p.m. and a ten (10) minute coffee break at 11:30 p.m. The coffee breaks will be paid.

5.03 NIGHT SHIFT Where a third shift is employed, the hours of work will be seven (7) for which eight (8) hours will be paid, plus a premium of seventy cents (\$.70) per hour. There will be a thirty (30) minute lunch period.

5.04 CHANGE OF START AND STOP TIMES By mutual agreement between the Company and the Union Plant Committee the regular starting and stopping times of standard work shifts may be changed.

5.05 REGULAR WEEK Five shifts, Monday to Friday inclusive, will constitute a regular week's work on all shifts.

5.06 WORK PERFORMED ON SATURDAY, SUNDAY AND PLANT HOLIDAYS Overtime rate will not be paid for work performed:

- On a night shift, when completing the fifth weekly shift on Saturday after midnight Friday.
- to complete a night shift after midnight at the start of a Plant Holiday.
- on Saturday by employees on a Tuesday to Saturday work schedule, except when such Saturday is one of the Plant Holidays.
- when commencing on a night shift on a Sunday prior to midnight and ending Monday morning.

5.07 OVERTIME

- (a) **OVERTIME - DAILY** The first two (2) hours of overtime worked each day shall be paid at the rate of 1.5 times the classified rate. All overtime in excess of two (2) hours each day shall be paid at the rate of 2.0 times the classified rate.
- (b) **OVERTIME - OTHER**
 - (a) Time and one-half (1 1/2x) will be paid for work performed over forty (40) hours paid in a week, and;
 - (b) Double time (2x) the employee's wage for any time over forty-eight (48) hours paid.
 - (c) All work performed on a Plant Holiday shall be paid for at the rate of 2x the classified rate plus eight (8) hours for the holiday.
- (b) **OVERTIME - VOLUNTARY** The Parties are agreed that all overtime will be voluntary.
- (c) **OVERTIME MEAL** Employees requested to work more than two (2) hours overtime after completion of their regular shift, will be given one-half (1/2) hour on Company time to eat their lunch and will be given \$5.00 meal money.
- (d) **OVERTIME DISTRIBUTION** Overtime will be distributed equitably among the employees in a particular job classification who have signified voluntarily that they will work overtime. The Company will prepare a list, which will be posted, of such employees, commencing with the most senior employee, and the overtime work will be rotated among the employees on that list commencing with the most senior employee. Employees should not be called in to perform work outside their job classification, except when there are no employees in that job classification available to do the work.
- (e) **OVERTIME - WHERE SHIFT PREMIUM PAID** If overtime is worked on a shift where a shift premium is paid, the shift premium will not be included in the rate for the calculation of overtime.

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

The above will not apply where the shorter second shift hours do not allow eight (8) hour between shifts.

5.09 HOURS BEFORE AND BEYOND REGULAR SHIFTS Hours worked before regular starting time and beyond regular quitting times shall be considered as overtime and paid in accordance with Article 5.07 for time worked, except when other arrangements are made by mutual agreement between the Company and the Union Plant Committee.

5.10 LUNCH PERIOD The mid-shift lunch period will be mutually arranged between the Company and the Union Plant Committee. If employees are required to work during the mid-shift lunch period they will be given an alternate lunch period but not more than four and one-half (4 1/2) hours from the shift start time or as mutually agreed upon.

5.11 EMPLOYEE CHANGE OF SHIFTS If an employee is required to change shift more than once in a calendar week he will be paid at double rate for the balance of the week, unless the second change is to return to his original shift.

5.12 SHIFT CHANGE Shift changes, listing individuals, will be posted four (4) calendar days in advance.

5.13 GUARANTEED DAY Subject to the exceptions set forth in this Section and in Section 5.14, any employee reporting for work at the start of the employees' shift, will be guaranteed eight (8) hours work at the employee's regular job, or pay equal thereto, provided that, if there are insufficient hours of work available at the employee's regular job, the employee will perform such other work as may be assigned to the employee to qualify for such pay. This provision will apply only once each day and it will only apply to an employee's regular shift.

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

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

5.14 CALL TIME Employees recalled to work after leaving the premises of the Company, after completion of their regular shift, will be paid at time and one-half (1 1/2x) rate for all hours worked, with a guaranteed minimum payment of two (2) hours at time and one-half (1 1/2x) rate, i.e., three (3) hours at straight time rate.

5.15 WORK SHORTAGE - CREW REDUCTION In the event of a work shortage or a reduction or discontinuance of operations, the Company will discuss with the Union for the purpose of considering shortening the working hours and/or working week as an alternative to laying off employees.

5.16 MAINTENANCE SHIFTS - TUESDAY TO SATURDAY By mutual agreement between the Company and the Union a Tuesday to Saturday maintenance shift may be instituted. Where Tuesday to Saturday shifts presently exist they may continue. Employees on this Tuesday to Saturday shift will be paid twenty dollars (\$20.00) bonus for Saturday work.

5.17 CLEAN-UP AND TOOL STOWAGE Journeymen and Apprentices shall be given a five (5) minute clean-up time before the end of their shift for the clean-up and stowage of personal tools.

5.18 SHIFT ROTATION The Company agrees that after one (1) month on a second or a third shift, the employees will be given the opportunity to change shifts for an equal period of time.

ARTICLE 6 - PLANT HOLIDAYS

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

- | | |
|-------------------|---------------------|
| 1. New Year's Day | 7. Thanksgiving Day |
| 2. Good Friday | 8. Remembrance Day |
| 3. Victoria Day | 9. December 24th |
| 4. Canada Day | 10. Christmas Day |
| 5. BC Day | 11. Boxing Day |
| 6. Labour Day | 12. Floater* |

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

*Floater to be taken at a time mutually agreed to be the Employer and the Employee.

6.02 When Plant Holidays fall on Saturday or Sunday they will be celebrated on Monday, and when they fall on consecutive Saturday and Sunday or consecutive Sunday and Monday, they will be celebrated on the following Monday and Tuesday.

7.07 VACATION PAY - WHEN PAYABLE Vacation pay will be paid a minimum of one (1) week but in no case more than two (2) weeks in advance of vacation. The amount of the vacation payment will relate directly to the portion of the vacation time entitlement which is being taken at that particular time.

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 3 years employment | 4% |
| 3 years but less than 7 years employment | 6% |
| 7 years but less than 14 years employment | 8% |
| 14 years but less than 18 years employment | 10% |
| Over 18 years employment | 12% |

ARTICLE 8 – SENIORITY

8.01 (a) SENIORITY PRINCIPLE The Parties recognize that job opportunity and seniority should increase in proportion to length of service. It is agreed that the term "seniority" as used herein, shall have reference to an employee's right to a job based upon his length of service with the Company, and his potential to efficiently fulfil the job requirements.

(b) All promotions, transfers, filling of vacancies, layoffs, terminations, and re-hiring after layoffs or termination will be done strictly in accordance with the principles set forth in 8.01 (a).

(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.

8.02 SENIORITY WILL BE MAINTAINED AND ACCUMULATED DURING:

(a) occupational injury.

(b) absence from employment while serving in the non-permanent armed forces of Canada.

(c) absence due to illness or non-occupational injury.

(d) jury duty, Union gatherings and collective bargaining negotiations.

(e) authorized leave of absence.

(f) lay-off for the following periods, after which an employee's seniority will terminate:

1. Less than 12 months - If he has been on lay-off because of lack of work for a period equal to his time of seniority.
2. Over 12 and less than 60 months seniority - 12 months
3. Over 60 months seniority - 24 months

8.03 SENIORITY STANDING WILL BE CANCELLED IF AN EMPLOYEE:

(a) voluntarily quits the employ of the Company.

(b) over-stays authorized leave of absence except by reasons of force majeure.

(c) is discharged and not reinstated under the terms of this Agreement.

(d) is recalled to work and does not report within six (6) working days of receiving notice by registered mail.

(e) is still on lay-off and the seniority retention period has elapsed as described in 8.02 (f).

(f) leaves the bargaining unit for more than twelve (12) months accumulative to work in a supervisory capacity.

8.04 **RECALL PROCEDURE** Laid-off employees with seniority will be given the first opportunity to be rehired. Employees will be notified of recall by telephone, telegraph, or other type of message which will be confirmed by registered mail. An employee being recalled must return to work as soon as reasonably possible after the first notice of recall as described above, but no longer than six (6) working days after receipt of the registered notice. A copy of the notice will be given to the Shop Steward or Union committeeman.

It is the responsibility of laid-off employees to keep the Company informed of their current address and telephone number.

8.05 (a) **SENIORITY LISTS** The Company will prepare Seniority lists of all employees and present to the Union within thirty (30) days of the signing of the Agreement. This list will be posted for a period of sixty (60) days, and will establish the seniority, regular rate and classification of an employee who does not protest his status in writing, within the said sixty (60) days. Said lists will commence with the most senior employee, carry on downwards to the most junior employee, and contain the following information:

1. employee's name and clock number
2. employee's starting date
3. employee's length of service in years and days
4. employee's regular classification and regular rate of pay
5. probationary employees will also be shown on the list.

(b) **SENIORITY LISTS - ADDITIONAL** Additional revised lists will be furnished to the Union as required from time to time. The Union agrees not to request such lists more frequently than once each three (3) months except during the months of April through September when they will be supplied each month if requested.

8.06 (a) In the event legislation governing layoffs is implemented which overrides the Collective Agreement, an employee who is entitled to severance pay as a result of a lay-off may elect to take the severance pay at that time, or at any other time up to the end of the employee's recall rights. In the event the employee accepts such severance pay, the employee's seniority and recall rights shall be terminated.

(b) Severance pay shall include pay in lieu of notice of lay-off.

ARTICLE 9 - SAFETY & HEALTH

9.01 SAFETY AND HEALTH - RESPONSIBILITY

(a) The Company agrees that it is the responsibility of the Company to make adequate provision for the safety and health of the employees during the hours of their employment.

(b) The Union and the employees agree to co-operate fully with the Company on all matters of health and safety.

9.02 **SAFETY COMMITTEE** It is mutually agreed that a Safety Committee consisting of employees selected by the Union will meet with a Management representative or representatives not less frequently than once a month. Minutes of such meetings will be posted on the notice board.

9.03 **HOUSEKEEPING AND SANITATION** All employees, as well as the Company, will observe the rules of good housekeeping and sanitation.

9.04 **WASHROOM, LUNCHROOM** Adequate washroom, lunchroom and a place to hang clothing will be provided by the Company and kept in a sanitary condition. The Company will supply towels, soap, and other supplies normally found in rest rooms. Employees will co-operate by observing the rules of cleanliness.

9.05 INJURED EMPLOYEE - REPORTING PROCEDURE Any employee suffering an injury while in the employ of the Company (performing or engaged in any activity which is covered by Workers' Compensation) must report immediately to the First Aid Department (Attendant) or as soon thereafter as possible, and also report to this Department (Attendant) on returning to work.

9.06 INJURED EMPLOYEE - TRANSPORTATION Employees injured on the job will be provided free transportation by the Company to and from a doctor's office, or a hospital and will be accompanied by a qualified person with First Aid training, if available on the Company premises. Employees requiring transportation home from a doctor's office or hospital following initial treatment shall be reimbursed for costs of such transportation.

9.07 INJURED EMPLOYEE - DAILY EARNINGS If an employee is injured on the job and a doctor recommends no further work on that day, the Company will maintain the employee's normal daily earnings for the day of injury.

9.08 EMPLOYEES WORKING ALONE Where an employee is employed under conditions where he might be injured and not be able to secure assistance, the employer shall devise some method of checking on the well-being of the workman at intervals which are reasonable and practicable under the circumstances.

9.09 SAFETY DEVICES

a) The Company shall provide, free of charge, all safety devices which an employee is required to used under the terms of:

i) Company orders, rules or regulations, and

ii) The provisions of the Workers' Compensation Act and regulations and orders pertaining thereto.

b) Items referred to in this Section shall be furnished on a loan basis, and the employee will be required to sign for same and return them to the Company in good condition (fair wear and tear excepted) as and when the Company so requires.

9.10 DIRTY WORK – NOXIOUS FUMES – CONFINED SPACES Rate and one-quarter will be paid to employees working under the above circumstances. If adequate ventilation is provided, the noxious fumes penalty will not apply. The penalty will be paid to men working in confined spaces where gas is present as a result of rivet fires and torches as in forepeaks, tanks, etc. The Superintendent or foreman and the Shop Steward are to decide if the work being performed is to be so classified.

This penalty rate will not be subject to rate retention provisions. If an employee is being paid this penalty rate during an overtime period, the employee will be paid his regular overtime rate of \$4.00 per hour – one-quarter of \$4.00 = \$1.00 (Penalty amount). Therefore, Overtime Rate - \$4.00 x 2 = \$8.00 + \$1.00 = \$9.00 per hour.

9.11 GLOVES The Company will supply gloves to it's employees as follows:

(a) **Welding Gloves:** The Company will supply a minimum six (6) pairs of welding gloves per year at no cost to it's employees.

(b) **Leather Faced Gloves:** The Company will supply leather faced gloves on a replacement basis at no cost to all employees.

9.12 PRESCRIPTION SAFETY GLASSES If the cost is not covered by the Workers' Compensation Board the Company will pay up to seventy dollars (\$70.00) per calendar year for the replacement of prescription safety lenses broken or damaged while working at the Company. Payment will be made only upon presentation by the employee of the broken or damaged lenses and the receipt for the cost of the new lenses.

9.13 LUNCHROOM

- (a) The Company will at no cost to it's employees supply a frost free refrigerator for it's lunchroom.
- (b) The Company will at not cost to it's employees supply curtains for it's lunchroom.

ARTICLE 10 - GENERAL PROVISIONS

10.01 CONSULTATION WITH UNION - PRIOR TO CERTAIN CHANGES The Company agrees to consult with the Shop Steward or Grievance Committeeman if available on the premises prior to discharging, laying-off, transferring, promoting or demoting any employee.

10.02 BULLETIN BOARDS The Union will have the exclusive use of two Bulletin Boards on the premises of the Company and provided by the Company for the purpose of posting official Union notices which may be of interest to Union members. All such material may be posted only upon the authority of the Executive Committee of the Union or Shop Stewards of the plant.

10.03 NOTICES - BETWEEN COMPANY AND UNION Any notice required to be given to the Company under the terms of this Agreement will be given by registered mail addressed to it at its registered address with a copy to the Association. Any notice to be given to the Union under the terms of this Agreement shall be given by registered mail addressed to the Secretary of the Union at its registered address.

10.04 UNION ACCESS TO PLANT Representatives of the Union will have access to the Company's premises by obtaining the permission of the Company's management. Such permission will not be unreasonably withheld.

10.05 BEREAVEMENT PAY If a death occurs in the immediate family of an employee, the Company will grant paid leaves of absence as follows:

3 days if employee attends funeral of parents, parents-in-law, wife, husband and children.

1 day if employee does not attend funeral or parents, parents-in-law, wife, husband and children.

1 day in the event of death of brother or sister

10.06 APPENDICES The attached Appendices are a part of this Collective Agreement and the Parties are bound by their terms.

10.07 REST PERIODS Employees will be allowed two (2) coffee breaks of ten (10) minutes each on Company time; one in the first half of each shift and one in the second half.

10.08 INSTRUCTION PROCEDURE Employees will take orders from the Plant Manager, or Plant Superintendent, only when the employees' Foreman or Charge hand is not readily available.

10.09 FOREMEN AND CHARGE HANDS IDENTIFICATION The names of all Foremen and Charge hands, setting forth their official status will be posted on the Company's Bulletin Board(s).

10.10 LAY-OFF NOTICE In cases of lay-off, the Company will give as much notice as possible.

10.11 UNION APPOINTEES -IDENTIFICATION The Union will maintain with the Company a current list of the names of Shop Stewards, Committeemen and Staff Representative.

10.12 UNION COMMITTEES Union Committees as provided for in this Agreement, will be of a size that will not unduly curtail production.

10.13 PREFERENTIAL HIRING - When additional employees are required, the Union hall will be notified. It is agreed that the Union may refer suitable applicants for employment to the Company.

10.14 EDUCATION AND TRAINING FUND

(a) 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.

(b) The money shall be made payable to Local Union 2952 Education and Training Fund, 7820 Edmonds Street, Burnaby, B.C., 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.

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

10.15 (a) PERSONNEL RECORDS – One personnel file shall be maintained by the Employer for each employee in the bargaining unit. Such file shall contain all records and reports concerning the employee's work performance.

(b) **EMPLOYEE ACCESS TO PERSONNEL FILE** – An employee shall have the right to read and review his/her personnel file at any time upon reasonable notice and by request to the Employer. On request the employee shall be provided with copies of any disciplinary document or record contained in the employee's personnel file.

(c) **UNION ACCESS TO EMPLOYEE PERSONNEL FILE** – A representative of the Union shall have the right to read and review an employee's personnel file at any time, upon written authorization of the employee and upon reasonable notice and by request to the Employer. The Union representative shall be provided with copies of any disciplinary document or record contained in the employee's personnel file.

10.16 DISCIPLINE

(a) The Employer shall only discipline, suspend or discharge an employee for just cause. The burden of proof of just cause shall rest with the Employer.

(b) Any employee who is to be interviewed regarding disciplinary action shall be interviewed in the presence of a Shop Steward, grievance Committee member or other Union designee.

(c) The employee, the Shop Steward or grievance Committee member and the Local Union President shall receive a copy in writing of any disciplinary action taken including, but not limited to all written reprimands, or notices involving suspension or discharge and the reasons in full for such action within twenty-four (24) hours of the taken action.

(d) **RELIEF** – All written warnings, reprimands and suspensions shall be rescinded and removed from the employee's personnel file, after a period of twelve (12) months after the date of issued disciplinary action and shall not be used against the employee thereafter.

10.17 Letters of Understanding and Memorandums

(a) **Form Part of Collective Agreement** The Company and the Union agree that any and all Letters of Understanding and Memorandums of Agreement made between the parties, shall be considered as part of the Collective Agreement.

(b) **Copies to Union** The Company agrees to supply the Union with signed copies of all Letters

of Agreement, Memorandums of Agreement, and Appendices, which form part of the current Collective Agreement.

- (c) **Renewal All Agreements** Letters of Understanding, or Memorandums of Agreement issued prior to the signing of this Agreement, and not renewed, shall become null and void after signing of this Collective Agreement.

Renewed Letters of Understanding shall remain in effect during the terms of this Agreement

10.18 Union Representation

- (a) The Employer acknowledges the right of the Union to appoint or otherwise select Shop Stewards for the purpose of representing employees in the handling of complaints and grievances.
- (b) The Employer agrees to recognize Shop Stewards, as provided in writing from the Union.
- (c) The Employer will be notified by the Union of the names of the Shop Stewards, and any changes made thereto.
- (d) The Employer agrees to recognize and deal with a Union Grievance Committee of not more than two (2) Employees plus the Unit President.
- (e) When the legitimate business of a Unit President, Grievance Committee Member, Shop Steward or Occupational Health & Safety Committee Member requires such employees to leave their department, the employee will first receive permission from their Manager. Such permission shall not be unreasonably withheld and the employee will not suffer loss of regular pay for such time.

10.19 Negotiating Committee

- a) The Employer agrees to recognize and deal with a Negotiating Committee of not more than two Employees, who will be regular Employees of the Employer, along with representatives of the International Union.
- b) The Negotiating Committee is a separate entity from other committees, and will deal only with such matters as are properly the subject matter of negotiations, including proposals for the renewal or modification of this Agreement.
- c) The Employer agrees to allow members of the Negotiating Committee the time off work with loss of pay for the purpose of meeting with the Employer in the negotiation of the renewal or modification of this Agreement.
- d) During negotiations for a new Collective Agreement, the Employer shall place employees, members of the Negotiating Committee on the day shift.

10.20 PAST PRACTICES Any rights and privileges of employees now in effect but not specifically mentioned in this Agreement shall be continued and no change shall be put into effect unless mutually agreed upon by the Company and the Union.

10.21 TAPES AND BLADES After completion of one year's service the Company will supply employees with suitable tapes and blades on a replacement basis to a maximum of six (6) per calendar year.

10.22 MOONLIGHTING It is agreed the Company may terminate the employment of any employee who engages in the practice commonly referred to as “moonlighting”. The term “moonlighting” shall refer to an employee who regularly makes a practice of working for two or more employees during the normal work week.

10.23 Employees will not use their personal vehicles for Company business.

ARTICLE 11 - GRIEVANCE PROCEDURE

11.01 GRIEVANCES WILL BE PROCESSED AS FOLLOWS:

STEP 1 It is generally understood that an Employee has no complaint or grievance until he, either directly or through the Union, has first given the Plant Superintendent an opportunity to adjust the complaint.

If, after registering the grievance with the Plant Superintendent, and such grievance is not settled within three (3) regular working days or within any longer period which may have been agreed to by the Parties, then the following steps of the Grievance Procedure may be invoked.

STEP 2 The grievance shall be submitted in writing to the Plant Superintendent either directly or through the Union. The Plant Superintendent will meet with the Union Steward within three (3) working days of the receipt of the grievance in an attempt to resolve the grievance. The grievor may be present at this meeting, if requested by either Party. The Plant Superintendent within a further three (3) working days give the Employer’s answer on the grievance form, and return it to the Union.

STEP 3 If the grievance remains unsettled at the conclusion of Step 2, the grievance may be submitted to the General Manager who shall within three (3) working days, hold a meeting between the Union Grievance Committee (not to exceed three (3) in number) in a final attempt to resolve the grievance. A Staff Representative of the Union and the grievor may be present at this meeting, if requested by either Party. The General Manager will within a further three (3) working days give the Employer’s decision in writing to the Union on or attached to the grievance form.

If settlement is not reached the grievance will proceed to Step 4.

STEP 4 - Arbitration or Expedited Arbitration.

11.02 TIME LIMITS (WORKING DAYS) AND STEPS WILL BE AS FOLLOWS:

| <u>Appeal to</u> | <u>Time</u> | <u>Answer</u> |
|------------------|--|---------------|
| Step 1 | Within 10 days of the grievor's knowledge of the occurrence of the grievance | 3 days |
| Step 2 | Within 5 days of answer | 3 days |
| Step 3 | Within 5 days of answer | 3 days |
| Step 4 | Within 30 days of answer | |

The time limits may be extended by mutual consent if there is reasonable need for extension, and a request for extension is made in writing.

11.03 DISCHARGE CASES If an employee believes that he has been unjustly discharged he may commence grievance procedure and it will be instituted at Step 2.

11.04 WARNING - SUSPENSION - DISCHARGE Employees may only be warned, suspended or discharged for just cause. Suspension days will run as consecutive working days.

11.05 GROUP OR GENERAL GRIEVANCES Grievances of a general or group nature will be put in writing and instituted at Step 2.

- 11.06 TIME LIMITS - FAILURE TO ACT** If either Party fails to act within any of the time limits, or with an agreed upon extension, it will be deemed that the Party has abandoned its position and that the position of the other Party has been established, except in a case where the Union withdraws the grievance.
- 11.07 GRIEVANCE COMMITTEEMEN AND COMPANY REPRESENTATIVES** At each of the three grievance steps the Company and the Union may have equal representation.
- 11.08 COMPANY REPRESENTATIVE - STEPS 2 AND 3** If a Company's administrative staff is such that the same Company representative would be involved in Steps 2 and 3, then Step 2 will not be used, except in 11.03 and 11.05.

ARTICLE 12 - EXPEDITED ARBITRATION

- 12.01** Notwithstanding any other provisions of this Agreement, the following Expedited Arbitration Procedure is designed to provide prompt and efficient handling of routine grievances.

The Expedited Arbitration Procedure shall be implemented in light of the circumstances existing within the Collective Agreement, with due regard to the following.

- 12.02** An Arbitrator, shall be appointed by the Vice-Chairman – Mediation Services to hear the cases. Their expenses and fees will be borne by the Parties. The fees are to be in an amount agreed to by all three Parties.

- 12.03 (a)** Within thirty (30) calendar days after receipt of the Step 3 answer, the Company or the Union initiating the grievance shall assess which grievances shall be referred to Expedited Arbitration, and will so notify the other Party, or their designate. Should the representatives of the other Party deem that the issue does not meet the criteria of section 12.06 (a) of this Article, the initiating party will nonetheless proceed to Expedited Arbitration for resolution. In this situation, however, the first issue that must be ruled upon by the Arbitrator is whether or not the subject matter is one that meets the criteria of section 12.06 (a).

If the Arbitrator concludes that the case is not appropriate for the Expedited Arbitration process, the case shall be referred back to the initiating party for further determination as if at the conclusion of the Third Stage of the grievance procedure.

- (b)** The list of arbitrators shall be maintained alphabetically to be used by fixed rotation. The next arbitrator shall be contacted and requested to serve on the case or cases designated for Expedited Arbitration at a time and place agreed upon by the Company and Union Representatives. The date of the hearing shall be within ten (10) calendar days of the appeal unless an extension of time is mutually agreed upon by all three parties.
- 12.04** Grievances shall be presented in the Expedited Arbitration Procedure by a previously designated Shop Committee member and a designated representative of the Local Plant Management. Attendance of other persons at the Arbitration hearing shall be limited to those who have personal knowledge of the grievance being presented.
- 12.05 (a)** The hearing shall be informal
- (b)** No briefs shall be filed or transcripts made
- (c)** There shall be no formal evidence rules
- (d)** The Arbitrator shall have the obligations of assuring that all necessary facts and considerations are brought before him by the representatives of the Parties. In all respects, he shall assure that the hearing is a fair one.

- (e) If the Arbitrator or the parties conclude at the hearing that the issues involved are of such complexity or significance that the case should require further consideration by the Parties, the case shall be referred back to the initiating party for final deposition.
 - (f) The Arbitrator shall render his written decision within five (5) work days following the date of the hearing. Their decision shall be based on the facts presented by the Parties at the hearing, and shall include a brief written explanation of the basis for their conclusion. These awards will not be cited as a precedent at any discussion of any other grievances at any stage of the grievance procedure or in any subsequent Arbitration, and will be considered binding by both Parties.
- 12.06**
- (a) Grievances subject to this Expedited Arbitration Procedure must be confined to issues which do not involve novel problems and which have limited contractual significance or complexity.
 - (b) The Arbitrator under this Expedited Arbitration Procedure shall have the same powers as granted to the Arbitrator under Section 13 of this Agreement.

ARTICLE 13 - ARBITRATION

- 13.01** Where a difference arises between the Parties relating to the interpretation, application or administration of this Agreement, including any question as to whether a matter is arbitrable, or where an allegation is made that this Agreement has been violated, either of the Parties may after exhausting the grievance procedure established by this Agreement, notify the other Party in writing of its desire to submit the difference or allegation to arbitration.
- 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
- 13.03** The Arbitrator shall have the authority to act as a mediator/arbitrator upon application of either party and will hear and determine the difference or allegation, and will issue a decision, and the decision is final and binding upon the Parties, and upon any employee affected by it.
- 13.04** The arbitrators will rotate on each subsequent arbitration, but should anyone be unable to act within thirty (30) calendar days, the Arbitrator shall be passed over to the next on the list.
- 13.05** The arbitrator will have the right to enter any premises where work is being done or has been done by the Employee, or in which the Employer carries on business, or where anything is taking place or has taken place concerning any of the differences submitted to the Arbitrator and inspect and view any work material, machinery, appliance or article therein, and interrogate any person respecting any such thing or any of such differences.
- 13.06** If, during the life of this Agreement, one of the Arbitrators named in 13.02 hereof withdraws from the list, the Parties will appoint a replacement by mutual agreement in writing.
- 13.07** Except where otherwise provided for in this Agreement, each of the Parties hereto will bear its own expenses with respect to any arbitration proceedings. The Parties hereto will bear jointly the expenses or the arbitrator on an equal basis.
- 13.08** No matter may be submitted to arbitration which has not first been properly carried through all preceding steps of the Grievance Procedure.

- 13.09 The Arbitrator will have jurisdiction and authority to interpret and apply the provisions of this Agreement insofar as it may be necessary for the determination of a grievance referred to it, but will not have the jurisdiction and authority to alter to amend any of the provisions of this Agreement.
- 13.10 A claim by an Employee that the employee has been unjustly discharged, suspended or laid off may be settled by confirming the employer's decision in discharging, suspending or laying off the employee, or by reinstating the employee with such compensation, either full, partial or such other settlement as may be agreed upon by the conferring parties or determined by the Arbitrator as the case may be.

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.

INSURANCE COVERAGE

| | | |
|---|------------------|--|
| 1 | LIFE INSURANCE | \$45,000.00 |
| 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 | <u>COVERAGE</u> | BASIC DENTAL | 80% |
| | | PROSTHETIC APPLIANCES AND CROWN AND BRIDGE PROCEDURES | 50% |

15.03 **PREMIUM DIVISION** Employer100%

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 16 - LEAVE OF ABSENCE WITHOUT PAY

16.01 **LEAVE FOR PERSONAL REASONS**

(a) An employee may be allowed a leave of absence without pay for up to thirty (30) days for personal reasons if:

- (i) he requests it from the Company in writing, and
- (ii) the Company believes the leave is for a good reason and does not interfere with the Company's operations.

If the employee takes a job elsewhere during this leave of absence without joint approval of the Company and the Union, he will be considered as having terminated his employment.

(b) A leave of absence may be extended up to thirty (30) calendar days if there is a good reason and the Company and the Union committee agree to it. The employee must request the extension in writing before his first leave period has terminated.

(c) The Union will be notified of all leaves granted under this Section.

16.02 **LEAVE TO ATTEND UNION GATHERINGS**

(a) Employees who have been elected or appointed by the Union to attend International, National or local gatherings will be granted leave of absence without pay for this purpose. Not more than two (2) employees may take such leave at one time and they must give the Company notice in writing at their earliest opportunity but no later than ten (10) working days notice in writing. This notice must be confirmed by the Union. Leave will not exceed three (3) weeks, plus reasonable travel time.

(b) Leave of absence will be granted on request to not more than two (2) employees who have been selected by the Union to attend collective bargaining sessions or emergency gatherings of the Union.

16.03 LEAVE FOR UNION BUSINESS

The Company shall grant an employee a leave of absence of not more than three (3) years to work in an official capacity for the Local or International Union. The employee must request the leave in writing and the Union must approve it. This leave shall be extended for additional three (3) year periods. One month's notice in writing must be given prior to commencing this leave.

Not more than one (1) employee may be on leave under this Section at any one time.

ARTICLE 17 - WAGES

17.01 WAGE SCHEDULE

- (a) The job classifications and rates of pay listed in the attached Wage Schedule is agreed upon by both parties and is a part of this Collective Agreement.
- (b) The rates set forth in the attached Wage Schedule may not be used in any way for the purpose of reducing the wage rate(s) presently received by an employee(s).
- (c) The rates for the classifications set forth in this Agreement, and for any subsequent mutually agreed upon additions thereto, are the agreed upon rates for those classifications, and therefore no employee may perform work within the classifications for a rate other than the rate set forth in this Agreement, subject only to the provisions of daily rate retention. The refusal of any employee to perform work contrary to the provisions of this Section, shall not constitute grounds for any reprimand or any form of disciplinary action, or dismissal by the Company.

17.02 (a) NEW OR CHANGED JOB CLASSIFICATION If any new job classifications are established, or if there is a significant change in the job content of any job classification(s) set forth in this Wage Schedule, or if any job classification(s) have been overlooked in this Wage Schedule, the Parties hereto are agreed to negotiate a rate for the job(s) in question.

(b) If the Parties are unable to reach agreement then the dispute will be settled through the Grievance and Arbitration procedures of this Agreement.

17.03 DAILY RATE RETENTION Employees will be allowed daily rate retention at the rate of the highest rated classification worked by them during each shift, and such rate shall be used as the basis to calculate overtime.

17.04 CHEQUE ISSUE - NO DELAY The Company will make provisions so that there will be no undue delay in issuing cheques on pay day.

17.05 STATEMENT OF EARNINGS The rate or rates of pay, hours of work, details for overtime hours and all necessary and pertinent information will be furnished to each employee on his pay statement so that the employee can clearly understand how his total pay was calculated.

17.06 FIRST AID ATTENDANTS

- \$.35 per hour over occupational rate - Level 1 or Survival
- \$.75 per hour over occupational rate - Level II

FIRST AID COURSES Upon successful completion of a course providing WCB approved First Aid Certificate or courses required to maintain or upgrade such certificates, the Company will reimburse employees for the cost of tuition.

17.07 PAYMENT OF WAGES - IRREGULAR Any employee being discharged, laid off, or leaving of his own accord will be paid all wages due to him as promptly as possible, or, in any event, within forty-eight (48) hours of the expiration of the next working day.

17.08 LEAD HAND AND CHARGE HAND DEFINITIONS

- (a) **LEAD HAND** is an employee who is assigned to instruct others in the performance of their work but will not be held responsible for the quality and quantity of work.
- (b) **CHARGE HAND** is an employee who is assigned to instruct others in the performance of their work and may be held responsible for the quality and quantity of work.
- (c) **PREMIUMS**

| | |
|-------------------|-----------------|
| LEAD HAND | \$.50 per hour |
| CHARGE HAND | \$.80 per hour |
| SHIFT CHARGE HAND | \$1.00 per hour |

Red-circle where the classification of Working Foreman presently exists as a classification.

An employee working as Lead Hand, Charge Hand, or Shift Charge Hand will receive the appropriate premium above the highest classification supervised or above his own rate, whichever is greater.

17.09 APPRENTICESHIP WAGE SCHEDULE

FOUR YEARS

- Start to 6 mos. - 55%
- 6 mos. to 12 mos. - 60%
- 12 mos. to 18 mos.- 65%
- 18 mos. to 24 mos.- 70%
- 24 mos. to 30 mos.- 75%
- 30 mos. to 36 mos.- 80%
- 36 mos. to 42 mos.- 85%
- 42 mos. to 48 mos.- 90%

FIVE YEARS

- Start to 6 mos. - 55%
- 6 mos. to 12 mos. - 60%
- 12 mos. to 18 mos.- 65%
- 18 mos. to 24 mos.- 70%
- 24 mos. to 30 mos.- 75%
- 30 mos. to 36 mos.- 80%
- 36 mos. to 42 mos.- 85%
- 42 mos. to 48 mos.- 90%
- 48 mos. to 60 mos.- 95%

17.10 APPRENTICESHIP - SCHOOL REIMBURSEMENT When an Apprentice attends Apprenticeship Day School, the Company will reimburse him with fifty percent (50%) of the difference between his rate of pay and the government grant which he receives.

17.11 APPRENTICESHIPS

- (a) It is mutually agreed that apprentices may be indentured under the provisions of the Apprenticeship Act of the Province of British Columbia.
- (b) The number of apprentices permitted shall be one (1) for the shop and one (1) additional apprentice for each five (5) qualified journeymen employed therein.
- (c) Employees with previous experience in the trade may be slotted in an appropriate term of apprenticeship consistent with their level of practical experience and theoretical knowledge in the trade. Employees not satisfied with their initial slotting or subsequent re-slotting may appeal through the various stages of the grievance procedure, except that the Director of Apprenticeship shall act as single arbitrator in the dispute and his decision will be final and binding upon the Parties to this Agreement.
- (d) In the event of a reduction of employment, apprentices shall be laid off in accordance with their Company seniority within the group of apprentices, and in accordance with the limit set in (b).

- (e) Apprentices may "bump" junior employees in other classifications provided they are able to perform the work required in accordance with the terms of 8.01 (a) of the Agreement. The apprentice shall receive the rate of the job he is performing.
- (f) New employees initially employed shall be on probation for three (3) calendar months.

17.12 RED-CIRCLE RATES It is agreed that where red-circle rates exist they will continue to exist while the employee is employed in that specific job classification and, in addition, will receive the negotiated wage increases.

17.13 OUTSIDE ERECTION AND CONSTRUCTION WORK

- (a) It is agreed by the parties that the established field rates of pay for Ironworkers, Boilermakers or Labourers shall be paid for all outside erection and construction work in accordance with field rates of pay in Construction Labour Relations Association Agreements.
- (b) When more than two (2) employees of the Company, who are in the same trade, are employed on outside work, one shall be selected to act as Charge Hand, and shall receive forty cents (.40) per hour above the established rates of pay in the field for tradesmen. However, the Company is not obligated to select a Charge Hand for every three (3) employees of the same trade who may be on that job.
- (c) The Company is not required to select a Charge Hand where the number of employees on outside work does not exceed three (3) and they are not in the same trade. However, irrespective of whether all the employees employed on the outside job may be in different trades, if they number four (4) or more, one shall be selected to act as Charge Hand, and receive forty cents (.40) per hour above the established rate of pay in the field for tradesmen.
- (d) Eight (8) hours shall constitute a day's work, Monday to Friday inclusive, and shall be worked between the hours of 8:00 A.M. and 4:30 P.M., with a designated thirty (30) minute lunch period.
- (e) Double time shall be paid for any and all work in excess of eight (8) hours in any regular work day, or before the regular starting time or after the regular stopping time as designated in (d). Double time shall be paid for any & all time worked on Saturdays, Sundays and all recognized holidays. Travel time will be paid at straight time based upon shop rates.
- (f) Employees required to work off the premises of the Company shall be furnished with adequate transportation both ways and paid for their travelling time (not to exceed eight (8) hours in any twenty-four (24) hour period). They shall be furnished with adequate board and room when required to live away from their regular place of residence. Transportation and board and room shall be provided at the Company's expense.
- (g) It is agreed that the Letter of Interpretation respecting outside work, signed by the parties on March 11th, 1966, will be incorporated into the Agreement in the following respects:
 - (1) Repair work done off the premises should be continued in the future (shop rates, etc.) on the same basis as in the past. Repair work is defined as work done to correct Company errors.
 - (2) That any or all new work being performed outside the Company premises should be paid for at the established field rate of pay (minus ten cents (.10) per hour for added cost of shop fringes) for all hours so worked.

- (3) Foremen shall be paid not less than forty cents (.40) per hour above the rate of Journeymen.

ARTICLE 18 - JOB POSTING

18.01 JOB OPENINGS (NOT TEMPORARY) All job postings (not temporary) in the bargaining unit, will be posted on the Bulletin Board for three (3) working days. In operations where department seniority exists job openings will be posted on a departmental basis. If no applications are received the job will be posted on a plant basis for two (2) working days.

18.02 JOB OPENINGS (TEMPORARY)

(a) Job openings in the bargaining unit not subject to the Job Posting Procedure shall mean:

Those job openings resulting from absences allowed under the terms of this Agreement up to a maximum of (30) days.

(b) All job openings (temporary) shall be filled in accordance with the principle established in 8.01 (a) and (b) of the collective agreement.

18.03 JOB APPLICATIONS (DELAYED) If an employee is not at work, for the following reasons, when a job is posted, he may apply for the job, if he does so within three (3) working days of his return to work.

- 1 vacation,
- 2 authorized leave of absence not exceeding thirty (30) days,
- 3 absence resulting from an accident or illness not exceeding thirty (30) days,
- 4 absence on Workers' Compensation not exceeding thirty (30) days.

18.04 SELECTION OF SUCCESSFUL APPLICANT Preference will be given to applications from the most senior employees in accordance with the principles established in Section 8.01 (a) and (b) of this Agreement.

18.05 TRIAL PERIOD The successful applicant may be entitled to up to thirty (30) working days and not less than five (5) working days trial period.

18.06 RETURN TO FORMER JOB

(a) In the event that an employee is promoted in accordance with the provisions of this Article and within thirty (30) days of such promotion he is not performing efficiently, or the employee wishes to do so, he will revert to his immediate previous job, without loss of seniority.

(b) If additional people are required, they will be drawn from the previous posting, provided, however, there are enough applicants on the previous posting to fill the vacancy.

18.07 SUCCESSFUL APPLICANT NOTICE The name of the successful applicant will be posted no later than five (5) days after the removal of the Job Posting notice.

All job postings not filled by successful applicants within thirty (30) days are considered void.

18.08 In the event that none of the applicants meet the requirements of the job in relation to Section 8.01 (a) and (b) of this Agreement, the Company may fill the vacancy from any available source.

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 two dollars and fifteen cents (\$2.15) effective April 4, 2005 per hour pension contribution on behalf of members of the Pension Plan.

Both parties shall execute the required documents to allow the Union to appoint 100% of the Trustees.

ARTICLE 20 - TECHNOLOGICAL CHANGE

20.01 In the event that the Company introduces a technological change which results in:

- (a) Displacement of employees from employment with the Company. The Company will cooperate with Canada Manpower training facilities to train such employees, if there are job openings with the Company, and such employees have the necessary potential to fill the positions.
- (b) An employee being terminated will receive one (1) week's pay for each year of seniority in excess of five (5) years seniority.

ARTICLE 21 - SAVINGS CLAUSE

21.01 Should any part of this Agreement or any provision herein contained be rendered or declared invalid by reason of any existing or subsequently enacted legislation or by any judgment of order of a court, tribunal or board of competent jurisdiction, such invalidation of such part or portion of this Agreement shall not invalidate the remaining portions hereof and such remaining portions shall continue in full force and effect.

21.02 In the event that any clause 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 either Party for the purpose of implementing the requirements of any such order, judgment or legislation or 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 matter to arbitration.

ARTICLE 22 - DURATION OF AGREEMENT

22.01 This Agreement shall be for the period from and including April 1, 2005 to and including March 31st, 2006 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, 2006, or immediately preceding the last day of March 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 _____, 2005.

**UNITED STEELWORKERS OF AMERICA
Local 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>April 4, 2005</u> <u>2.5%</u> |
|--------------|---|-------------------------------------|
| 1 | *Journeyman-Tradesman Apprentice-Trained Steel Fabricator Steel Fabricator Fitter I | \$ 26.46 |
| 2 | Fitter II Layout II Welder | \$ 24.41 |
| 3 | Helper | \$ 16.75 |
| 4 | 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.

LETTER OF UNDERSTANDING #1

BETWEEN: WESTERN EMPLOYERS LABOUR RELATIONS ASSOCIATION
(for and on behalf of Kay-Son Steel Fabricators Ltd.)

AND: UNITED STEELWORKERS OF AMERICA, LOCAL 2952

WHEREAS the Parties entered into a Collective Agreement (hereinafter referred to as the Agreement) effective February 1st, 1996.

AND WHEREAS the Parties desire to interpret the Agreement for the purpose of the implementation of Article 7 - Vacations With Pay.

NOW THEREFORE this Letter of Understanding shall constitute an integral part of the Agreement and provides an interpretation of the Agreement in the following particulars:

(A) Adjustment of Anniversary Date to Cut-Off Date.

Reasons therefore: Since the employment date of an employee seldom coincides with a vacation cut-off date, it is necessary, in order to administer vacations in an orderly manner to adjust an employee's vacation pay and vacation time to the cut-off date.

(B) There are six times when an employee's vacations must be adjusted to the cut-off date:

- (1)** After one year but less than three years' employment, when the employee is entitled to two (2) weeks' vacation.
- (2)** After three years but less than seven years' employment, when the employee is entitled to three (3) weeks' vacation.
- (3)** After seven years but less than fourteen years' employment, when the employee is entitled to four (4) weeks' vacation.
- (4)** After fourteen years but less than eighteen years' employment, when the employee is entitled to five (5) weeks' vacation.
- (5)** After eighteen years but less than thirty years' employment, when the employee is entitled to six (6) weeks' vacation.
- (6)** After thirty years or more, when the employee is entitled to seven (7) weeks' vacation.

(C) The following is the interpretation to be applied to Article 7 - Vacations With Pay in the WESTERN EMPLOYERS LABOUR RELATIONS ASSOCIATION (Kay-Son Steel Fabricators Ltd.) - UNITED STEELWORKERS, LOCAL 2952.

- (1)** Article 7.01 of the W.E.L.R.A. (Kay-Son Steel Fabricators Ltd.) - U.S.W.A. Agreement provides for payment of vacations to an employee who has worked less than one (1) year on the following basis:
 - Four percent (4%) of his gross earnings.
 - One (1) day's vacation for each major fraction of a month worked (maximum ten (10) working days).

The provisions of this Section are the basis of adjusting a new employee's vacation pay and vacation time to a cut-off date.

- (2) When an employee becomes entitled to three (3) weeks' vacation, his vacation pay and vacation time off will be adjusted to the cut-off date by:
- Crediting the employee's vacation account with two percent (2%) of his gross earnings from his employment anniversary date to the cut-off date.
 - Crediting the employee's vacation account with the amount of time off resulting from applying the fraction of the year between his anniversary date and the cut-off date to five (5) working days.
- (3) When an employee becomes entitled to four (4) weeks' vacation, his vacation pay and vacation time off will be adjusted to the cut-off date by:
- Crediting the employee's vacation account with two percent (2%) of his gross earnings from his employment anniversary date to the cut-off date.
 - Crediting the employee's vacation account with the amount of time off resulting from applying the fraction of the year between his anniversary date and the cut-off date to five (5) working days.
- (4) When an employee becomes entitled to five (5) weeks' vacation, his vacation pay and vacation time off will be adjusted to the cut-off date by:
- Crediting the employee's vacation account with two percent (2%) of his gross earnings from his employment anniversary date to the cut-off date.
 - Crediting the employee's vacation account with the amount of time off resulting from applying the fraction of the year between his anniversary date and the cut-off date to five (5) working days.
- (5) When an employee becomes entitled to six (6) weeks' vacation, his vacation pay and vacation time off will be adjusted to the cut-off date by:
- Crediting the employee's vacation account with two percent (2%) of his gross earnings from his employment anniversary date to the cut-off date.
 - Crediting the employee's vacation account with the amount of time off resulting from applying the fraction of the year between his anniversary date and the cut-off date to five (5) working days.
- (6) When an employee becomes entitled to seven (7) weeks' vacation, his vacation pay and vacation time off will be adjusted to the cut-off date by:
- Crediting the employee's vacation account with two percent (2%) of his gross earnings from his employment anniversary date to the cut-off date.
 - Crediting the employee's vacation account with the amount of time off resulting from applying the fraction of the year between his anniversary date and the cut-off date to five (5) working days.

(D) Examples of adjusting an employee's vacation:

Assume
Employee starts work Jan. 1st
Cut-off date June 30th

Assume
Employee starts work Oct. 1st
Cut-off date June 30th

Wage rate of \$5.00 per hour
2,080 work hours per year
One week's vacation = 2%
Two weeks' vacation = 4%
One week's vacation = 5 working days
Two weeks' vacation = 10 working days

Wage rate of \$5.00 per hour
2,080 work hours per year
One week's vacation = 2%
Two weeks' vacation = 4%
One week's vacation = 5 working days
Two weeks' vacation = 10 working days

(Fraction days .5 and over take to higher full day)

- Adjust part of first year to cut-off date
- 4% of earnings Jan. 1 to Jun. 30
- 2 weeks' vacation = 4%
- Earnings Jan. 1 to Jun. 30 = 5,200.00
- 4% of 5,200.00
- Days of vacation, $6/12 \times 10 = 5$ work days
- Total days' vacation (adjustment year only) = 5 work days.

- Adjust part of first year to cut-off date
- 4% of earnings Oct. 1 to Jun. 30
- 2 weeks' vacation = 4%
- Earnings Oct. 1 to Jun. 30 = 7,800.00
- 4% of 7,800.00
- Days of vac., $9/12 \times 10 = 7.5$ (8) work days
- Total days' vacation (adjustment year only) = 8 work days.

- Adjust 3rd wk of vacation to cut-off date
- Adjust 1 wk from Jan.1 to Jun.30
- 1 weeks' vacation = 2% of earnings
- Earnings Jan. 1 to Jun. 30 = 5,200.00
- 2% of 5,200.00
- Days of vac., $6/12 \times 5 = 2.5$ (3) work days
- Total days' vac. (adjustment year only) = 18 work days.

- Adjust 3rd wk of vacation to cut-off date
- Adjust 1 wk from Oct. 1 to June 30
- 1 weeks' vacation = 2% of earnings.
- Earnings Oct. 1 to Jun. 30 = 7,800.00
- 2% of 7,800.00
- Days of vac., $9/12 \times 5 = 3.75$ (4) work days
- Total days' vac. (adjustment year only) = 19 work days.

- Adjust 4th week of vacation to cut-off date
- Adjust 1 wk from Jan.1 to Jun.30
- 1 weeks' vacation = 2% of earnings
- Earnings Jan. 1 to Jun. 30 = 5,200.00
- 2% of 5,200.00
- Days of vac., $6/12 \times 5 = 2.5$ (3) work days
- Total days' vacation (adjustment year only) = 23 work days.

- Adjust 4th week of vacation to cut-off date
- Adjust 1 wk from Oct. 1 to June 30
- 1 weeks' vacation = 2% of earnings.
- Earnings Oct. 1 to Jun. 30 = 7,800.00
- 2% of 7,800.00
- Days of vac., $9/12 \times 5 = 3.75$ (4) work days
- Total days' vacation (adjustment year only) = 24 work days.

- Adjust 5th week of vac. to cut-off date
- 1 weeks' vacation = 2% of earnings
- Earnings Jan. 1 to Jun. 30 = 5,200.00
- 2% of 5,200.00
- Days of vac., $6/12 \times 5 = 2.5$ (3) work days
- Total days' vac. (adjustment year only) = 28 work days.

- Adjust 5th week of vac. to cut-off date
- 1 weeks' vacation = 2% of earnings.
- Earnings Oct. 1 to Jun. 30 = 7,800.00
- 2% of 7,800.00
- Days of vac., $9/12 \times 5 = 3.75$ (4) work days
- Total days' vac. (adjustment year only) = 29 work days.

- Adjust 6th week of vac. to cut-off date
- Adjust 1 wk from Jan. 1 to Jun. 30
- 1 weeks' vacation = 2% of earnings
- Earnings Jan. 1 to Jun. 30 = 5,200.00
- 2% of 5,200.00
- Days of vac., $6/12 \times 5 = 2.5$ (3) work days
- Total days' vac. (adjustment year only) work days.

- Adjust 6th week of vac. to cut-off date
- Adjust 1 wk from Oct. 1 to June 30
- 1 weeks' vacation = 2% of earnings.
- Earnings Oct. 1 to Jun. 30 = 7,800.00
- 2% of 7,800.00
- Days of vac., $9/12 \times 5 = 3.75$ (4) work days
- Total days' vac. (adjustment year only)year = 33 = 34 work days.

- Adjust 7th week of vac. to cut-off date
- Adjust 1 wk from Jan. 1 to Jun. 30
- 1 weeks' vacation = 2% of earnings
- Earnings Jan. 1 to Jun. 30=5,200.00
- 2% of 5,200.00

- Adjust 7th week of vac. to cut-off date.
- Adjust 1 wk from Oct. 1 to June 30
- 1 weeks' vacation = 2% of earnings.
- Earnings Oct. 1 to Jun. 30=7,800.00
- 2% of 7,800.00

- Days of vac., $6/12 \times 5 = 2.5(3)$ work days
- Total days' vac. (adjustment year only)
= 38 work days.

- Days of vac., $9/12 \times 5 = 3.75(4)$ work days
- Total days' vac. (adjustment year only)
= 39 work days.

Signed at _____, B.C. this _____ day of _____, 2005.

**UNITED STEELWORKERS OF AMERICA
Local 2952**

**WESTERN EMPLOYERS LABOUR
RELATIONS ASSOCIATION**

KAY-SON STEEL FABRICATORS LTD.
