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2005 - 2010 COLLECTIVE AGREEMENT

THIS AGREEMENT entered into this _____ day of March 2005.
BETWEEN

CUT TECHNOLOGIES CANADA SERVICES LTD.
(Hereinafter known as the "COMPANY")

OF THE FIRST PART
AND

STEELWORKERS, LOCAL 1-423
(Hereinafter known as the "UNION")

OF THE SECOND PART

PREAMBLE:

1. **WHEREAS** it is the intent and the purpose of the Parties hereto that this Agreement will promote and improve industrial and economic relationships between the Employees and the Company, 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, AND
2. **WHEREAS** the Company accepts responsibility to observe each and all provisions and conditions of this Agreement, and to promote orderly and peaceful relations with the Employees, AND
3. **WHEREAS** the Union accepts responsibility to observe each and all provisions and conditions of this Agreement, and to promote orderly and peaceful relations with the Company.

NOW THEREFORE the Parties hereto mutually agree as follows:

ARTICLE I - BARGAINING AGENCY

Section 1: Recognition

- a) The Company recognizes the Union as the sole collective bargaining agency of the Employees of the Company at Cut Technologies Canada Services as set out in the Certificate of Bargaining Authority.
- b) When a dispute arises as to whether or not a person is an Employee within the bargaining unit, it shall be subject to grievance procedure as provided for in Article XIII, Step 3, and, in the event of failure to reach a satisfactory settlement, it shall be dealt with as provided for in Section 139 of the Labour Relations Code of B.C.

Section 2: Bargaining Authority

The Party of the First Part agrees that the Bargaining Authority of the Party of the Second Part shall not be impaired during the term of this new collective agreement. The Party of the First Part agrees that the only certification they will recognize during the term of this new agreement is that of the Party of the Second Part unless ordered by due process of law to recognize some other Bargaining Authority.

Section 3: Bargaining Location

The Company and the Union will meet at such time and place as may be mutually agreed upon for the purpose of discussing and adjusting any matters within the confines of this Agreement which come within the scope of collective bargaining between Employer and Employee.

ARTICLE II - EMPLOYERS' RIGHTS

Section 1: Management and Direction

The Management of the operation and the direction and promotion of the Employees are vested exclusively in the Management; provided, however, that this will not be used for the purpose of discrimination against Employees.

Section 2: Hiring and Discipline

The Company shall have the right to select its Employees and to discipline or discharge them for proper cause.

ARTICLE III - UNION SECURITY

Section 1: Co-operation

The Company will co-operate with the Union in obtaining and retaining as members the Employees as defined in this Agreement, and to this end will present to new Employees and to all Supervisors and Foremen the Policy herein expressed.

Section 2: Union Shop

All Employees, shall within thirty (30) calendar days after the execution of this Agreement, or thirty (30) calendar days after entering employment, whichever date occurs last, become members of the Union, and maintain membership therein throughout the term of this Agreement, as a condition of continued employment.

Section 3: Maintenance of Membership

Any Employee who is a member in good standing, or is reinstated as a member of the Union shall, as a condition of continued employment, maintain such membership in good standing throughout the term of this Agreement.

Section 4: Discharge of Non-Members

Notwithstanding anything contained in the foregoing Sections 2 and 3 of this Article, no Employee shall be subject to discharge except for refusal to pay Union Dues. If an Employee fails to pay union

dues within seven days after the Company and the Employee have been notified by the Union of the Employee's delinquency, such Employee shall be discharged forthwith by the Company.

Section 5: Union Membership

- a) No Employee shall be subject to any penalties against his application for membership or reinstatement, except as may be provided for in the USWA Constitution and in accordance with the By-Laws of Local Union No. 1-423.
- b) Any Employee who applies to join the Union pursuant to the provision herein and whose application is rejected by the Union, shall not be subject to discharge from employment.

Section 6: Check Off

- a) The Company shall require all new Employees at the time of hiring to execute the following assignment of wages in duplication, the forms to be supplied by the Union.

Section 7: Social Insurance Number

The Company shall furnish the Union with the Social Insurance number of each Employee on its payroll on the first occasion when dues are forwarded to the Union after the execution of this Agreement or after the Employee enters the employment of the Company, whichever date last occurs.

ARTICLE IV - COMMITTEES

Section 1: Definition

For the purpose of this Agreement, when the word "committee" is used it shall mean Shop, Camp or Mill Committee, members of which are appointed by the Union.

Section 2: Composition

The Committee shall consist of not less than two (2) Employees and not more than two (2) Employees with completed probationary period of employment with the Company who are members of the Union and they shall be selected, wherever possible, on a departmental basis.

Section 3: Notification

The Union will, within sixty (60) days from the date of this Agreement, notify the Company in writing of the members on the Committee. The Union or Committee will inform the Company in writing when any member change takes place on the Committee. No member of the Committee will be recognized by the Company unless the above procedure is carried out.

Section 4: Exceptions

The provisions of Sections 1, 2 and 3 will not apply in reference to:

- a) Article XII, Section 2: Accident Prevention Committee, where the members are designated according to the provisions of the "Workers' Compensation Act."

ARTICLE V - PAY DAYS

The Company will pay wages in accordance with the Provincial Regulations and furnish each Employee with an itemized statement of monthly earnings and deductions. The Company shall provide for pay days every two (2) weeks.

ARTICLE VI - HOURS OF WORK

Section 1: Hours and Overtime

- a) The regular hours of work at the operation shall be eight (8) hours per day and forty (40) hours per week with rate and one-half for any hours worked over eight (8) hours per day and forty (40) hours per week. Employees shall be paid rate and one-half for Saturday and/or Sunday regardless of the number of hours worked during the week.
- b) Double straight time rates shall be paid for the following:
 - (i) hours worked in excess of eleven (11) hours per day.
 - (ii) hours worked on Sunday by Employees who have worked five shifts during the preceding six days.
 - (iii) for purposes of this provision a Statutory Holiday shall be considered as a shift worked.
- c) If a Statutory Holiday occurs during the work week, the Employees shall only be required to work on Saturday and/or Sunday for the time lost due to the Statutory Holiday by mutual consent. For such work the Employee shall be paid rate and one-half.
- d)
 - (i) Casual labour employed on production work on Saturday and/or Sunday will receive rate and one-half for these days. Casual labour employed on Saturday for maintenance, repairs and preparatory work will be paid straight-time job rate. Casual labour employed on Sunday shall be paid rate and one-half for all hours worked.
 - (ii) Regular laid-off Employees shall not be classified as casual Employees and shall have preference for available work over the said casual Employees.

- (iii) The Employer agrees to keep a separate seniority list of casual Employees who have worked at least ten (10) working days, exclusively for recall purposes and, subject to clause (ii), further agrees to recall casual Employees in accordance with their seniority as set forth in this list.

Section 2: Completion of Afternoon Shift

- (a) It is agreed between the Parties that if three (3) hours or less are necessary after midnight Friday, or after midnight preceding a Statutory Holiday, to complete the shift which commenced work on Friday afternoon or the afternoon preceding the Statutory Holiday, time worked after midnight to complete the particular shift will be paid at straight time.
- (b) Notwithstanding anything to the contrary contained in this Agreement, it is further agreed that in all three-shift operations, the time established as the regular starting time of the midnight shift following a Statutory Holiday shall not be changed by reason of the Statutory Holiday.

Section 3: Three Shift Operations

- (a) The Employer shall have the right to operate his Plant or any part thereof on a three-shift basis and all Employees working under this arrangement shall receive eight (8) hours' pay upon completion of the full hours established as their regular shift. Details of shifts shall be varied at the Employer's option.
- (b) It is agreed that Clause (a) above shall only apply to those Employees actually working on a three-shift basis.
- (c) The Employer shall have the right to determine the number of shifts operated in any unit or department of the operation. The Company will normally provide five (5) days notice of shift change, unless in cases of emergency or short market conditions, where two (2) days notice will be acceptable.
- (d) Where less than three (3) shifts are worked, Clause (a) above shall not apply.
- (e) The working force on the day shift shall alternate with the working force on the afternoon shift on a regular basis, not to exceed four (4) week intervals.

Section 4: No Work Guarantee

The foregoing provisions of this Article shall not be construed as guaranteeing to any Employee any number of hours of work per day or per week.

Section 5: Rest Periods

All Employee at this operation shall be entitled to two (2) fifteen (15) minute rest periods during each regular shift, providing always that the Company shall have the right to use relief employees in implementing this provision. The Company shall ensure that such periods are taken during the mid two hours of each half of each regular shift.

ARTICLE VII - CALL TIME

An Employee reporting for work on the call of the Company, except school students reporting for work on school days, shall be paid his regular rate of pay for the entire period spent at the place of work in response to the call, with a minimum in any one day of:

- 1) Two (2) hours' pay at the Employee's regular rate except when the Employee's condition is such that he is not competent to perform his duties or he has failed to comply with the accident prevention regulations of the Worker's Compensation Board; and
- 2) If the Employee commences work, four hours' pay at his regular rate, except where his work is suspended because of inclement weather or other reasons completely beyond the control of the Company.

A student reporting for work on school days on the call of the Company shall be paid his regular rate of pay for the entire period spent at the place of work in response to the call, with a minimum in any one day of two hours' pay at his regular rate.

The Parties hereby agree to work out a mutually satisfactory Agreement determining the method by which the Employee will be notified, cancelling the call for work.

ARTICLE VIII - SENIORITY

Section 1: Principle

- a) The Company will recognize the principle of seniority, competency considered. The Company shall have the right to select its Employees and to discipline or discharge them for proper cause.
- b) The selection and promotion of supervisory officials shall be entirely a matter for the Company's decision; but in making the selection, length of continuous service shall be given due consideration.

Section 2: Job Posting

PURPOSE

The following procedure is mutually agreed to provide the method of posting and filling job vacancies.

I DEFINITION AND APPLICATION OF SENIORITY

The Definition of Seniority is the sub-total of continuous years, months and days of an Employee's service. In its' application, seniority shall be the governing factor in deciding job entitlement and job retention.

II SENIORITY DIVISIONS

Saw Manufacturing Shop

III PROCEDURE FOR CREW CURTAILMENT

In the event there is a reduction of forces, the last person hired shall be the first released. Those Employees retained on the payroll will have the right to maintain their jobs in line with their seniority. Those Employees that do not have the seniority to hold their regular jobs during the reduction but have enough seniority to maintain a job, will have the right to bump a junior Employee.

IV PROCEDURE FOR RE-ESTABLISHMENT OF THE WORK FORCE

Upon the re-establishment of the work force, the Employees who were demoted will have claim to their previously held job(s), provided, however, they cannot replace the incumbent if their divisional seniority is of a lesser amount.

V JOB POSTING

JOB POSTING - WHERE WILL APPLY

Effective July 1, 1999, all employees in Group 2 will be assigned a primary position within Group 2. This will not interfere with the management's right to move employees from their primary positions as required from time to time. Any vacancies or new primary positions in Group 2 will be posted. Any employee in Group 3 or higher will not be allowed to bid on Group 2 postings. For any Group 2 posting not filled, the Company will fill with newly hired employees, who will be paid as per the wage scale, which is:

First 60 working days	-	Entry Rate #1
Next 60 working days	-	Entry Rate #2
Next 2 years	-	Group #1
After 2 years in Group 1	-	Group #2

All jobs in Group #3 and higher, upon becoming vacant, will be posted.

PROCEDURE FOR POSTING JOB VACANCIES

- 1) In posting vacant jobs, the following procedure will be followed:

Bulletin Boards provided for the purpose will be supplied by the Company, and placed in such locations as may be mutually agreed on by the Company and the Plant Committee.
- 2) When a vacancy occurs the job will be posted on the Bulletin Board for a period of two (2) working days.
- 3) A copy of each Job Posting will be given to the Plant Committee.
- 4) Employees who wish to bid on the posted job shall make application to the Office of the Personnel Department on the form provided, within the posting period set out in Paragraph 2.
- 5) An Employee absent on approved leave of absence, vacations, illness or accident, at the time of Job Posting will be allowed to make application within three (3) working days of their return to work, but in no event later than seven (7) weeks of the posting of such new job vacancy.
- 6) The Company shall within forty-eight (48) hours of the closing-off time of the particular Job Posting, notify the Plant Committee of its selection for the vacant job; and re-post the original Job Posting Notice on which is placed the name of the Employee who has been selected for the vacant job. It shall remain posted for a period of forty-eight (48) hours.
- 7) An Employee selected for the job shall be allowed a trial period of ninety (90) working days. It is agreed that for good and sufficient cause, an Employee may voluntarily return or be sent back to their former job before expiration of the trial period set out herein; (provided in the latter instance, ample training time and instruction on the job has been given by qualified personnel). Further, as long as the Employee returns to their former job within the trial period, they will not suffer the loss of any seniority. On occasion, and by mutual agreement, it may be necessary to extend the ninety (90) day trial period.
- 8) In the event an Employee returns to their former job for one of the reasons specified above, the job will be declared vacant and re-posted.
- 9) In the event that no one in the Plant makes application, within the limits of this Agreement, or if all applicants fail to qualify, or withdraw their application and no Employees have a request for a Divisional transfer, then Management may hire someone for the job.

- 10) Once an Employee has completed the trial period and have been confirmed in a job, they will be required to remain in that position for a one year period before being able to bid to another posting.
- 11) The Job Vacancy form for posting shall contain the following information:
 - a) The name-description of the job.
 - b) The hourly rate of pay.
 - c) The shift on which the job is open, i.e., Day Shift, Swing Shift, or Night Shift.
 - d) The date and hour on which the notice was posted; and the date and hour on which the closing-off time for which applications will be received.
 - e) The person and place to which an Employee may apply for the vacancy.
 - f) A space provided to place the name of the Employee who has been selected to fill the vacancy.

Section 3: Probationary Period

- a) Notwithstanding anything to the contrary contained in this Agreement it shall be mutually agreed that all Employees are hired on probation; the probationary period to continue for sixty (60) working days during which time they are to be considered temporary workers only and during this same period no seniority rights shall be recognized. Upon completion of sixty (60) working days, they shall be regard as regular Employees, and shall then be entitled to seniority dating from the day on which they entered the Company's employ.
- b)
 - (i) It is agreed that probationary Employees will have preference over Casual Employees for any work performed during the normal work week, subject to competency.
 - (ii) It is further agreed that in the application of (i) above, probationary Employees will be called in for work in accordance with their hiring date, unless such call-in is beyond the control of the Employer, and is subject to the Employee being competent to perform the work. This obligation does not apply where the Employee cannot be readily contacted or where the Employee has already worked one shift in the 24-hour period.

Section 4: Reduction in Forces

- a) In the event of a reduction of the forces, the last person hired shall be the first released subject to the competency of the person involved and the provisions of Section 1.

- b) Where a reduction of forces is caused by emergency conditions, the application of seniority as agreed to under Section 2 may be postponed for such periods as may be necessary, but not exceeding three (3) working days. If the Company decides to exercise its rights under this provision, it shall notify the Committee as soon as possible.
- c) Subject to the provisions of Section 2 above, during a reduction of forces where an Employee's seniority is such that he will not be able to keep his regular job he may elect to apply his seniority to obtain a job paying a higher rate if he has previously held the job in the operation on a regular basis.
- d) During a reduction of forces where an Employee's seniority is such that he will not be able to keep his regular job he may elect whether or not to apply his seniority to obtain a lower paid job or a job paying the same rate of pay or accept a lay-off until his regular job becomes available, provided however:
 - (i) If during the lay-off period the Employee wishes to return to work and so notifies the Company, he shall be called back to work as soon as his seniority entitles him to a job.
 - (ii) The application of this provision shall not result in an Employee, in the exercise of his rights, bumping an Employee with less seniority.

Section 5: Seniority

It is agreed that upon request of the Union a list will be supplied by the Company setting out the name and starting date with the Company of each regular Employee. However, such request shall not be granted more than twice during each yearly period September 1st to August 31st. The Company will advise the Union once each month of changes to the said list.

Section 6: Reinstatement

- a) It is hereby agreed that, when rehiring, all Employees shall be notified in the following manner:
 - (i) Delivery of notice either orally or by letter by a Company representative.
 - (ii) Local or long-distance telephone communication.
 - (iii) Registered letter or telegram.

In the case of (i) such oral notice shall be confirmed by a written notice showing date delivered, and the date and time the Employee is to return to work.

In the case of (ii) such telephone communication shall be confirmed the same day by registered letter and shall set out the date and time the Employee is to return to work.

In the case of (iii) which shall be used where it is impossible to use (i) or (ii) above, a period of up to seven (7) days within which the Employee is to return to work will be allowed, provided the Employee replies within ninety-six (96) hours of the sending of the letter or telegram in the affirmative.

- b) The Employee must reply to the call to work within ninety-six (96) hours of the sending of the call to work as in (i) and appear for work at the specified date.
- c) All recalls shall be in accordance with the Employee's seniority rights.
- d) It is agreed that all Employees shall, upon returning to employment within the required number of days of being notified by the Company, retain all seniority rights.
- e) It shall be the Employee's responsibility to keep the Company informed of his or her address during lay-off.

Section 7: Absence Without Leave

Any Employee who is absent without leave for a period of more than three (3) consecutive working days, who cannot show just reason for such absence, shall forfeit all seniority rights. This shall not interfere with the Company's right to discharge for proper cause.

Section 8: Retention During Lay-off

Seniority during lay-off shall be retained on the following basis:

- a) Employees with less than six (6) months shall retain seniority for three (3) months.
- b) Employees with less than one (1) year's but more than six (6) months service shall retain their seniority for a period of six (6) months.
- c) Employees with one (1) or more year's service shall retain their seniority for one (1) year, plus one (1) additional month for each year's service, up to an additional six (6) months.
- d) A laid-off Employee's seniority retention is reinstated on the completion of one day's work.

Section 9: Supervisor's Return to Bargaining Unit

Effective March 15, 1996, in any case where an employee has been transferred by the Company to a supervisory position and at a later date ceases to be a supervisory worker and the Company desires to retain his services, it is hereby agreed that reinstatement can be made within the bargaining unit, provided, however, that supervisory workers reinstated in the bargaining unit must return to the job held at the time of their promotion to a supervisory position. It is further agreed that they will return to the bargaining unit with the seniority they had at the time they were transferred to a supervisory position. That is to say, his seniority is "frozen" at the time he leaves the bargaining unit and ceases to run until his return thereto. This clause excludes supervisors transferred prior to March 15, 1996.

ARTICLE IX - LEAVE OF ABSENCE

Section 1: Injury and Illness

The Company will grant leave of absence to Employees suffering injury or illness for a period up to six (6) calendar months, subject to a medical certificate, if requested by the Employer. The Employee shall report or cause to have reported to the Company the injury or illness which requires his absence from work as soon as may be reasonably possible. The Employer will grant additional leave, if requested, subject to the foregoing provisions.

Section 2: Written Permission

Any Employee desiring leave of absence must obtain same in writing from the Company.

Section 3: Union Business

- a) The Company will grant leave of absence to Employees who are appointed or elected to Union position for a period up to and including two (2) years. Further leave of absence may be granted by mutual consent. The Employee who obtains this leave of absence shall return to his Company within thirty (30) calendar days after the completion of his term of employment with the Union. The Company shall not be required to grant such leave of absence when the number of persons on leave under this Section exceeds two (2) in number.
- b) The Company will grant leave of absence to Employees who are elected as representatives to attend Union meetings and Union conventions or as members of any Negotiating Committee of Steelworkers in order that they may carry out their duties on behalf of the Union. The Company shall not be required to grant such leave when the number of Employees on leave, or to be on leave, at any one time under this Section, exceeds two (2) in number; provided that the Employer will grant leave to more than two (2) Employees where, in its opinion, it will not have the effect of interfering with the normal flow of production.
- c) In order for the Employer to replace the Employee with a competent substitute, it is agreed that before the Employee receives the leave of absence set forth in Clauses (a) or (b) above, the Employer shall be given notice in writing; in the case of (a) twenty (20) calendar days and in the case of (b) five (5) calendar days.

Section 4: Local Union Advised

Any leave of absence granted to an Employee for reasons other than those set out in Sections 1 and 3, a copy of such leave shall be forwarded to the Local Union.

Section 5: Returning to Work

Employees on leave of absence and/or illness for an indeterminate period of Employees who wish to return to work prior to the expiration date of leave of absence for fixed period, shall give the Employer notice of intention to return to work in the following manner:

- a) An Employee reporting for work on the Day Shift shall give notice during the preceding working Day Shift.
- b) An Employee reporting for work on the Second or Third Shifts shall give notice no later than noon of the Day Shift immediately preceding his return to work.

Section 6: Bereavement Leave

- a) When death occurs to a member of a regular full-time Employee's immediate family, the Employee will be granted an appropriate leave of absence for which he shall be compensated at his regular straight time hourly rate of pay for his regular work schedule for a maximum of three (3) days.
- b) Members of the Employee's immediate family are defined as the Employee's spouse, mother, father, brothers, sisters, sons, daughters, mother-in-law, father-in-law, step-parents, grandparents, grandchildren, sons-in-law, daughters-in-law, stepchildren and grandparents-in-law.
- c) Proof of death may be required if the Company requests it.

Section 7: Jury or Witness Duty

- a) Any regular full-time Employee who is required to perform Jury Duty, Coroner's Duty or as a Crown Witness or Coroner's Witness on a day on which he would normally have worked will be reimbursed by the Company for the difference between the pay received for Jury Duty and his regular straight time hourly rate of pay for his regularly scheduled hours of work. It is understood that such reimbursement shall not be for hours in excess of eight (8) per day or forty (40) per week, less statutory pay received for Jury Duty. The Employee will be required to furnish proof of Jury Service and Jury Duty pay received. (To a maximum of one (1) week).
- b) Hours paid for Jury Duty will be counted as hours worked for the purpose of qualifying for vacations and for computing overtime.

Section 8: Maternity Leave

The Company will grant a reasonable period of extended Maternity Leave without pay to female Employees where there is a valid reason.

Section 9: Public Office

- a) The Company will grant leave of absence for campaign purposes to candidates for Federal, Provincial or Municipal elective public office for periods up to and including eight (8) weeks, provided the Company is given due notice in writing of twenty (20) calendar days, unless the need for such application could not reasonably be foreseen.

- b) Employees elected or appointed to Federal, Provincial or Municipal office shall be granted as much leave as is necessary during the term of such office. Municipal office holders, where the term of public office is served intermittently, shall give the Company reasonable notice for absence from work for conducting Municipal business.
- c) The Employee who obtains this leave of absence shall return to his/her Company within thirty (30) calendar days after completion of public office.

ARTICLE X - VACATIONS WITH PAY

With respect to annual vacations and vacation pay, the following provisions will apply:

Vacation pay will be paid to the employee upon request within fourteen (14) days after completion of the vacation year in which he becomes entitled to receive his vacation.

Subject to an employee's written request, the employer will hold such employees' entitled to vacation pay (bank) until they actually take holidays later and within that year, at which time the employer will continue to pay such employee their regular job pay during their holiday and deduct this amount from their held vacation pay bank. However, no amount in excess of their total banked vacation amount will be paid out. Any entitled to vacation pay not used will be paid to such employees within fourteen (14) days after July 26th of the respective year.

Section 1: Two Weeks Vacation

Employees with one (1) to three (3) years continuous service shall receive two (2) weeks vacation with pay based upon four per cent (4%) of earnings or eighty (80) hours at the hourly rate of the Employee's regular job, whichever is greater.

Section 2: Three Weeks Vacation

Employees with three (3) to seven (7) years continuous service shall receive three (3) weeks vacation with pay based upon six per cent (6%) of earnings or one hundred and twenty (120) hours at the hourly rate of the Employee's regular job, whichever is greater.

Two week shut down will be counted as holidays.

Section 3: Four Weeks Vacation

Employees with seven (7) or more years continuous service shall receive four (4) weeks vacation with pay based upon eight per cent (8%) of earnings or one hundred and sixty (160) hours at the hourly rate of the Employee's regular job, whichever is greater.

Section 4: Termination Calculation

An Employee who leaves the Company for any reason whatsoever shall receive vacation pay at the appropriate percentage of the wages earned during the period of entitlement in accordance with the Employee's years of service as provided in Sections 1, 2 and above.

Section 5: Scheduling

Vacations for Employees shall be taken at such time as mutually agreed upon by the Union Committee and the Company when quantity and regularity of production shall not be impaired. Employees may request holidays at a one day at a time basis up to a total of three (3) days in a given year, on a first come, first served basis, subject to the company's availability to grant such days. Other vacation time will be taken in blocks of at least one week.

The third and fourth weeks of vacation provided for in Sections 2 and 3 hereof need not be consecutive with the two weeks provision provided in Section 1 hereof. Such additional week or weeks of vacation shall be taken, with three weeks notice, when convenient to the Company.

Section 6: Days Considered for Determining Vacations

- a) The hourly rate of the Employee's regular job, as provided for in Sections 1, 2 and 3 above, shall mean the hourly rate of the Employee's regular job at the time the Employee takes the first two weeks or more of vacation after the cut-off date.
- b) For the purposes of administration the Company cut-off date shall be deemed to be the Employee's anniversary date for the vacation year.
- c)
 - (i) In order to qualify for the greater of percentage of earnings or number of hours at the hourly rate of the Employee's regular job, as provided for in Sections 1, 2 and 3 above, the Employee must have worked a minimum of One Thousand (1000) hours in his first year of service, and a minimum of One Thousand (1000) hours during his succeeding years of entitlement.
 - (ii) For purposes of calculating minimum hours as in (i) above, the calculation period shall be from the cut-off date in one year to the cut-off date in the succeeding year.
- d) For purposes of computing the requisite hours, the following will be included:
 - (i) All hours worked;
 - (ii) Statutory Holiday hours;
 - (iii) Jury and Crown witness duty;
 - (iv) Bereavement leave;
 - (v) Vacation hours
 - (vi) Time not exceeding one (1) year, lost as the result of an accident recognized as compensable by the Workers' Compensation Board, suffered during the course of employment, shall be considered as time worked for the purpose of qualifying for vacation provided that the Employee returns to his employment.

- (vii) Time not exceeding one (1) year, lost as the result of non-occupational accident or illness, shall be considered as time worked for the purpose of qualifying for vacation provided that at the time of the accident or illness the Employee has been on the payroll for not less than one (1) year and that he returns to his employment. It is understood that the Employer may require that the Employee provide a certificate from a qualified medical practitioner.

Section 7: Other Provisions

Employees who leave the Company for any reason whatsoever shall receive vacation pay at the appropriate percentage rate provided in Section 4.

ARTICLE XI - STATUTORY HOLIDAYS

Section 1: Designation of Days

- a) All Employees who work on New Year's Day, Good Friday, Victoria Day, Dominion Day, British Columbia Day, Labour Day, Thanksgiving Day, Remembrance Day, Christmas Day and Boxing Day, will be paid rate and one-half for all hours so worked.
- b) In the event that one of the above Statutory Holidays falls on a Sunday the following Monday will be observed as the Statutory Holiday.
- c) In the event of a Statutory Holiday falling on a Tuesday, Wednesday or Thursday and where the Company and Shop Committee mutually agree, the said holiday may be observed the preceding Monday or following Friday respectively.
- d) In the event that one of the within-named Statutory Holidays falls on Saturday, it shall be observed on the preceding Friday or following Monday as agreed between the Company and the Shop Committee.

Section 2: Qualifying Conditions

- a) An hourly-rated or piece-work Employee who qualifies for the following holidays, that is: New Year's Day, Good Friday, Victoria Day, Dominion Day, British Columbia Day, Labour Day, Thanksgiving Day, Remembrance Day, Christmas Day and Boxing Day under the conditions set out below, shall be paid for the holiday at his regular job rate of pay for his regular work schedule. It is agreed that the hours so paid for the Statutory Holiday will not be included in the weekly work schedule. If the holiday falls on a Sunday, the following Monday shall be observed as a holiday.
- b) An Employee working on a paid holiday shall be paid, in addition to his holiday pay, rate and one-half for any hours worked on a shift designated as the "holiday shift".

- c) An Employee, to qualify for holiday pay, must have been on the payroll thirty (30) calendar days immediately preceding the holiday and must have worked his last regularly scheduled work day before, and his first regularly scheduled work day after the holidays, unless his absence is due to illness, compensable occupational injury, or the Employee is on authorized leave of absence.
- d) In the case of illness or injury the Employer shall have the right to request a certificate from a qualified medical practitioner.
- e) Notwithstanding any of the foregoing provisions, if the Employee fails to work one day before and one day after the holiday, both of which must fall within a period of sixty (60) calendar days, the Employee shall not be entitled to be paid for any Statutory Holiday during that period.

ARTICLE XII - SAFETY AND HEALTH

Section 1: Recognition of Importance

The Company and Employees will co-operate to assure safe working methods and conditions and devise plans for the furtherance of safety measures. Equipment and devices mutually agreed upon to be provided by the Company.

Section 2: Occupational Health and Safety Committee

The Company shall maintain an Occupational Health and Safety Committee which shall be constituted and work in accordance with the Workers' Compensation Board Accident Prevention Regulations.

Section 3: Safety Meetings

Occupational Health and Safety Committee meetings, of reasonable length and frequency will be held during working hours at a time mutually agreed upon. Employees will receive their regular job rate for attending such meetings or investigations into accidents, overtime rates shall not apply and such hours will not be used in calculating any overtime.

Section 4: Accident Compensation

An Employee hurt in an industrial accident shall be paid for time lost on the day he/she was injured at his/her regular rate.

Section 5: First Aid Attendants

It is agreed that the Company will make every effort to ensure the minimum qualifications set out by WCB regulations to provide First Aid on this site. The most recent WCB regulations (January 1994) states the minimum at this site is:

1 only - Level 1 Attendant

1 only - Level 1 First Aid Kit

At such time that our present First Aid Attendant loses his certification, does not renew his certification or is no longer employed by the Company, this position will be posted and designated to one only senior qualified employee.

ARTICLE XIII – HEALTH AND WELFARE BENEFITS

Section 1: B.C. Medical Services Plan

- a) The Company will provide B.C. Medical Services Plan for all employees who choose to participate, paying 100% of the premium for single only. The company will pay the full premium for couple or family with the employee paying the difference through payroll deduction.
- b) Employees currently being paid the thirty six dollar (\$36.00) per month payment in lieu of the B.C. Medical Services Plan premiums, who choose not to participate in the Plan, will continue to receive this thirty six dollar (\$36.00) payment. They may choose to opt into the Plan only on the anniversary dates of the contract and will not qualify for the thirty six dollar (\$36.00) payment again.
- c) New employees may either opt in to the Plan or opt out but will not be eligible to receive the in lieu of payment of thirty six dollars (\$36.00).
- d) The total company premiums for the employee portion of the MSP Plan premiums will be capped at seventy five dollars (\$75.00) per month.

Section 2: Dental Care Plan

- a) The company will provide a Dental Plan based on the following:
 - i) 80% Basic services - No annual Limit
 - ii) 50% Major restoration services - No annual limit
 - iii) 50% Orthodontic services - Lifetime maximum \$1,500 per dependent child
 - iv) No deductibles for any coverages
- b) The company will pay 100% of the employee only premium cost and 50% of the dependent premiums cost through payroll deduction.
- c) Employees may choose to participate or not and may opt in or opt out only on the anniversary date of the contract. There will be no cash payment in lieu of participating in the Dental Plan.
- d) The company portion of the premiums will be capped at a maximum of eighty dollars (\$80.00) per month.

Section 3: Extended Health and Vision Care Plan

- a) Effective April 1, 2009, the company will provide an Extended Health and Vision Care Plan.
- b) The company will pay 50% of the premium costs for employees and their dependents.

- c) The company portion of the premium costs will be capped at a maximum of fifty dollars (\$50.00) per month per employee.

ARTICLE XIV – GRIEVANCE PROCEDURE

Section 1: Outline of Steps

The Company and the Union mutually agree that, when a grievance arises in the Plant coming under the terms of the Agreement, it shall be dealt with without stoppage of work in the following manner:

- Step 1: The individual Employee, with or without a job steward, shall first take up the matter with the foreman in charge of the work within fourteen (14) calendar days.
- Step 2: If a satisfactory settlement is not then reached, it shall be reduced to writing by both parties, when the same Employee and the Committee shall take up the grievance with the superintendent or the personnel officer, or both, as designated by the Company. If desired by the Committee, the Union Business Agent shall accompany the Committee.
- Step 3: If the grievance is not then satisfactorily solved, it shall be referred to an authorized representative of the Union and the Management.
- Step 4: If a satisfactory settlement is not then reached, it shall be dealt with by arbitration, hereinafter provided.

Section 2: Abandonment

If a grievance has not advanced to the next stage under Step 2, 3 or 4 within fourteen (14) days after completion of the preceding stage, then the grievance shall be deemed to be abandoned, and all rights of recourse to the grievance procedure shall be at an end, however the fourteen (14) day period shall be extended by notice of either party and in the event of any such extension, both parties shall be bound to proceed in such a case as quickly as may be reasonably possible.

Section 3: Grievance Meetings

Step 2 and Step 3 grievance meetings shall except in cases of emergency and wherever possible be held outside the normal office hours of the Company. Union Committee members and the grievor(s) attending Step 1 meetings while during shift work hours will be paid their regular job rate for all time spent at such meetings, overtime rates shall not apply and such hours will not be used in calculating any overtime.

ARTICLE XV - ARBITRATION

Section 1: Procedure

- a) In the case of any dispute arising regarding the application or any alleged violation of this Agreement which the Parties hereto are unable to settle between themselves, the matter shall be determined by Arbitration in the following manner:
 - (i) Either Party may notify the other Party in writing, by registered mail, of the question or questions to be arbitrated. Within three (3) days of receipt of such notice and statement each Party shall refer the matter to the Arbitrator selected by the Parties in accordance with the provisions of this Section.
 - (ii) The decision of the Arbitrator will be final and binding upon the Parties of the First and Second Parts.
 - (iii) The Parties agree to jointly seek a Sole Arbitrator to function under this Section.
 - (iv) Until such time as the Sole Arbitrator is selected or in the event that after his/her selection he/she is unable to hear any arbitration case provided under this Section, the procedure will be as follows:
- b) Either Party may notify the other Party in writing, by registered mail, of the question or questions to be arbitrated and the name and address of its chosen representative for the Arbitration Board. After receiving such notice and statement, the other Party shall, within five (5) days, appoint an Arbitrator and give notice in writing of such appointment and the name and address of its Arbitrator. If the two Arbitrators appointed by the Parties fail to agree upon a Chairman within five (5) days, they, or either one of them, shall forthwith request the Chief Justice of the Labour Minister of British Columbia to appoint a Chairman.
 - (i) The decision of the Arbitration Board shall be by majority vote and all decisions which have been referred to arbitration will be final and binding upon the Parties of the First and Second Parts.
 - (ii) If any Arbitration Board finds that an Employee has been unjustly suspended or discharged such Employee shall be re-instated with all his/her rights and privileges preserved under the terms of this Agreement.

The Arbitration Board shall further make the determination of the amount of lost pay, if any, to be paid to the Employee.

- (c) The Arbitrator shall be required to hand down their decision within fourteen (14) days following completion of the hearing.

Section 2: Cost Sharing

The Parties of the First and Second Parts will each bear the expenses and charges of its representatives on any Arbitration Board, and shall bear in equal proportions the expenses and allowance of the Chairman or Sole Arbitrator, as the case may be and the stenographic and secretarial expense, and rent.

Section 3: Place of Hearing

Any Arbitration to be held hereunder shall be held at such place as may be decided by the Board.

Section 4: Arbitrator

No one shall serve as an Arbitrator who:

- i) either directly or indirectly has any interest in the subject of the arbitration;
- ii) has participated in the grievance procedure preceding the arbitration;
- iii) is, or has been, within a period of six months, preceding the initiation of the arbitration proceedings, employed by any Local Union, USWA or a company directly engaged in the forest products industry.

ARTICLE XVI - TECHNOLOGICAL CHANGE

Section 1: Severance Pay

Employees terminated because of direct mechanization, technological change or automation shall be entitled to severance pay of one (1) week's pay for each year of service with the Company. The amount calculated under such entitlement shall not exceed a maximum of four (4) weeks pay.

Section 2: Rate Adjustment

- a) An Employee who is affected by mechanization, technological change or automation and who is set back to a lower paying position/job will:

- (i) receive the rate of his/her regular job at the time of the setback for a period of one (1) month,
- (ii) and for a further period of one (1) month he/she will be paid an adjusted rate which will be midway between the rate of his/her regular job at the time of the setback and the rate of his/her new regular job.
- (iii) At the end of this two (2) month period the rate of his/her new regular job will apply.

ARTICLE XVII - SAFETY EQUIPMENT

- a) Where the following articles of equipment are required to be used by the Company or by the Workers' Compensation Board, the Company shall, at no cost to the Employee:
- (i) supply Employees with the articles of equipment as required;
 - (ii) supply Employees moving to another department with the articles of equipment they require and that they do not have at the time of the move; and
 - (iii) replace articles of equipment when those articles are presented worn or damaged beyond repair; that is to say:

Hard Hats, Eye, Ear, Nose protective equipment, Gloves, Aprons and Rain Gear.
 - (iv) replace gloves as required at no cost to the Employee, only when they are presented worn or damaged beyond repair, otherwise the replacement will be at the expense of the Employee.
- b) The Company shall make coveralls or smocks available for all maintenance Employees when necessary.
- c) The company will reimburse new hires, once they have completed the probation period, up to fifty dollars (\$50.00) for metal foot shields.

ARTICLE XVIII - PERMANENT CLOSURES

The Company agrees that Employees affected by a permanent closure of the operation shall be given reasonable notice with a minimum of sixty (60) days written notice of such closure.

ARTICLE XIX - SEVERANCE PAY - PLANT CLOSURE

- a) Effective March 15, 1994 Employees terminated by the Company because of a permanent closure of the operation shall be entitled to severance pay equal to forty (40) hours pay at their current rate for each year of continuous service and thereafter for partial years in increments of completed months of service with the Company to a maximum of four (4) weeks.
- b) Where the operation is relocated and the Employees involved are not required to relocate their place of residence and are not terminated by the Company as a result of the relocation they shall not be entitled to severance pay under this Article.

ARTICLE XX - CONTRACTING AND SUB-CONTRACTING

- a) The introduction of a contractor or sub-contractor into the operation will not result in the loss of full time positions held by regular Employees or result in the reduction in a pay Group for any regular Employee in the operation, except where justified by special circumstances.
- b) The company will recall any laid off employees to employment before any regular work is contracted or sub-contracted.

ARTICLE XXI - GENERAL PROVISIONS

Section 1: Union Access

In recognizing the nature of the operations production process and for the purposes of this Collective Agreement, official Union representatives (Business Agents and Local Union Officers) will be granted access to the Company's operation under the following:

- (i) that during normal operations office hours, such Union representatives will report to such office and advise they are entering the operation.
- (ii) and during all other hours, such Union representatives will report to the operation/shift Supervisor and advise they are in the operation.
- (iii) it is also understood that such Union representatives will not disrupt the regular production of the operation.

Section 2: No Strike

The Union agrees that it will not cause, promote, sanction or authorize any strike, sit down, slow down, sympathetic strike or other interference with work by the Employees for any cause whatsoever during the life of this Agreement.

Section 3: No Lockout

The Company agrees that it will not create or institute any lockout of the Employees with respect to any dispute between the Company and the Union or the Company and its Employees during the life of this Agreement.

Section 4: Emergency Overtime

Should overtime be necessary due to an agreed to emergency condition, the Union will co-operate with the Employer in giving the necessary permission to operate. Each Group will establish a call-in list of available personnel for overtime shifts. The company will attempt to contact a minimum of three employees on the list. If there is no response at the time of the call, the company reserves the right to fill the position with supervisory staff.

ARTICLE XXII - DURATION OF AGREEMENT

Section 1: Effective Dates

The Parties hereto mutually agree that this Agreement shall be effective from and after the **15th** day of **March 2005** to midnight the **14th** day of **March 2010**, and thereafter from year to year unless written notice of contrary intention is given by either Party within four (4) months immediately preceding the date of expiry. The notice required hereunder shall be validly and sufficiently served at the Head Office of the Party of the First Part, or at the Local Office upon the Local Officers of the Union, Party of the Second Part, within four (4) months immediately preceding the **14th** day of **March 2010**.

If no agreement is reached at the expiration of this Contract and negotiations are continued, the Agreement shall remain in force up to the time an agreement is reached or until negotiations are discontinued, by either Party.

Signed this _____ day of _____, **2005**.

STEELWORKERS, LOCAL 1-423

**CUT TECHNOLOGIES CANADA
SERVICES LTD.**

Supplement # 1 - Wages

Employee Group Classification	<u>03/15/05</u>	<u>03/15/06</u>	<u>03/15/07</u>	<u>03/15/08</u>	<u>03/15/09</u>
Entry Rate #1 (First 60 days)	\$11.80	\$12.20	\$12.60	\$13.00	\$13.40
Entry Rate #2 (Next 60 days)	\$13.36	\$13.76	\$14.16	\$14.56	\$14.96
Group #1 (Base Rate) (next 2 years) ¹ *Gumming *Brazing *Automatics *General labour *Shipper/Receiver	\$14.15	\$14.55	\$14.95	\$15.35	\$15.75
Group #2 (after 2 years in Group #1) *Shipper/Receiver *Brazer *Automatics *Gummer *Surface Grinder	\$16.80	\$17.55	\$18.30	\$19.05	\$19.80

Employee/ Group Classification	<u>03/15/05</u>	<u>03/15/06</u>	<u>03/15/07</u>	<u>03/15/08</u>	<u>03/15/09</u>
Group #3 (Training Programs) *Hammerman 1 (3 years) ² (step \$.32/quarter to Group 4) *Laser –computer Operator (5 years) (step \$.768 per year to Group 4) Millwright/Machinist (5 years) (step \$.768 per year to Group 4)	\$17.59	\$18.04	\$18.49	\$18.94	\$19.39
Group #4 *Hammerman 2	\$21.43	\$21.88	\$22.33	\$22.78	\$23.23
*Laser –computer operator	\$18.78	\$19.89	\$21.01	\$22.12	\$23.23
*Machinist/ Millwright	\$18.99	\$20.05	\$21.11	\$22.17	\$23.23

Notes:

¹ Existing employees on March 15, 2005 move from Group #1 to Group #2 after one year of service.

² Existing Hammerman 1 employees in Group #3 on March 15, 2005 step \$.54 per quarter over 18 months, then \$.10 per quarter over the next 18 months, then move to Group #4, taking into consideration time already served at Hammerman 1 as of March 15, 2005.

Signed this ___ day of _____ 2005.

STEELWORKERS, LOCAL 1-423

**CUT TECHNOLOGIES CANADA
SERVICES LTD.**

SUPPLEMENT # 2 EMPLOYEE RETIREMENT FUND

Between

**CUT TECHNOLOGIES CANADA SERVICES LTD.
and
STEELWORKERS, LOCAL 1-423**

- a) The Company will contribute three (3%) percent of each Employee's hourly rate of pay to a R.R.S.P Plan. The Employee must at minimum match the Company's contribution each month or forfeit his right to the Company's contribution.
- b) To be eligible for this plan the Employee must have at least three (3) months continuous service with the Company.
- c) If the Employee is laid off or terminated, the Company will discontinue it's contribution but will resume it's contribution when the Employee is recalled in the case of lay-off.
- d) This plan is optional. The Employee is not obligated to join this plan. If the Employee chooses to join this plan, they must submit a written request to join.
- e) The Company contribution will be capped at one hundred and twenty-five dollars (\$125.00) per month.

Signed this _____ day of _____, 2005.

STEELWORKERS LOCAL 1-423

**CUT TECHNOLOGIES CANADA
SERVICES LTD.**

SUPPLEMENT # 3 - PREMIUMS

a) Shift Differential

The recognized Day Shift shall be considered the First Shift. Hours worked outside the recognized Day Shift will be regarded as the Second and Third Shifts. Premium rates of thirty cents (30¢) per hour will be paid for the Second Shift and forty (40¢) per hour the Third Shift. A Day Shift Employee working in excess of his regular shift will be paid rate and one-half without the differential. Any Employee on the Second and Third Shift working in excess of his regular shift shall receive rate and one-half. For the purpose of the last sentence, rates shall be rate plus premiums. Persons employed other than on regular shifts shall be paid the thirty cents (30¢) premium rate for all hours worked outside the recognized Day Shift. To qualify for Night Shift Differential under the preceding sentence the Employee must work in excess of one (1) hour outside of the Regular Day Shift, provided that, where this results in an overlapping of shifts, the Employees shall be paid the Night Shift Differential for all time worked on the overlapping shift.

b) First Aid Premium

The First Aid Attendant will be paid a premium of ten cents (10¢) per hour over and above his regular hourly rate.

Signed this _____ day of _____, 2005

STEELWORKERS , LOCAL 1-423

**CUT TECHNOLOGIES CANADA
SERVICES LTD.**

SUPPLEMENT # 4 - REST PERIODS

- a) Every employee is entitled to a daily eating period of thirty (30) minutes after the first four (4) consecutive hours of work. Such break is to be taken within one (1) hour of the four (4) hour point.
- b) Every employee is entitled to a fifteen (15) minute rest period during the first four (4) hours of work and a fifteen (15) minute rest period during the second four (4) hours of work. Such breaks are to be taken within one half (1/2) hour of the mid points of each four hour period.
- c) If an employee agrees to work two (2) or more hours overtime, he/she will be entitled to a fifteen (15) minute rest period before starting the overtime shift and a fifteen (15) minute rest period during the next four (4) hours of work.

Signed this _____ day of _____, 2005

STEELWORKERS, LOCAL 1-423

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