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**COLLECTIVE AGREEMENT**

**BETWEEN: WESTERN EMPLOYERS LABOUR RELATIONS ASSOCIATION**

**for and on behalf of Nicholson Manufacturing Ltd.**

**(hereinafter referred to as the "Company")**

**AND: MACHINISTS, FITTERS & HELPERS INDUSTRIAL UNION, LOCAL NO. 3**

**AND: INTERNATIONAL BROTHERHOOD OF BOILERMAKERS, IRON SHIPBUILDERS, BLACKSMITHS, FORGERS & HELPERS, LOCAL NO. 191 (In Joint Certification)**

**DATE AND REFERENCE** - This Agreement is dated for reference only August 15th, 2003, and named for reference the "WESTERN EMPLOYERS LABOUR RELATIONS ASSOCIATION (NICHOLSON MANUFACTURING LTD.) - MACHINISTS, FITTERS & HELPER'S INDUSTRIAL UNION, LOCAL NO. 3 AND INTERNATIONAL BROTHERHOOD OF BOILERMAKERS, IRON SHIPBUILDERS, BLACKSMITHS, FORGERS & HELPERS, LOCAL 191 AGREEMENT."

**GENERAL PURPOSE** - The purpose of this Agreement is to stabilize the industry, elevate the trade, and to promote peace and harmony between the Employer and employee, and to facilitate the peaceful adjustment of all disputes and grievances, to prevent strikes and lockouts, waste, expense, and avoidable and unnecessary delays.

**ARTICLE 1 - RECOGNITION**

- 1.01** The Company recognizes the Unions as the sole bargaining agency for its employees, as duly certified under the Labour Relations Code of British Columbia, for the purpose of collective bargaining with respect to rates of pay, hours of employment, and all other working conditions.
- 1.02** The representatives of the Unions may have reasonable access to the Company shop or yards. Before talking to any employees the representatives will first report to the office if the visit is during regular working hours or to the shift foreman if the visit is during other than regular office hours.

**ARTICLE 2 - DEFINITION OF EMPLOYEE**

- 2.01** The term "Employee" as used in and for the purpose of this Agreement shall include all hourly rated persons employed in the Company's operations and as covered by the British Columbia Government Certificate, except and excluding foremen and those having authority to hire or discharge employees.
- 2.02** Only members of the Unions shall be employed. In the event of the Unions being unable to supply competent employees, no person who is unfair to the Unions shall be employed.

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- 2.03** In the event of the Unions being unable to supply competent employees, the Company shall have the right to hire elsewhere, with the stipulation that the new employees shall apply to join the appropriate Union within ten (10) days. When the Company hires a new employee, the appropriate Union shall be notified and the employee must report to the Union within seventy-two (72) hours of starting work for a clearance slip.
- 2.04** If the Union requests such information, the Employer will advise the Union whether or not laid-off probationary employees or unsuccessful applicants they have referred to the Company would be considered for employment in the future.
- 2.05** It shall not be a violation of this Agreement and it shall not be cause for discipline or discharge if any employee or employees refuse to go through a legal picket line of a Union engaged in a labour dispute recognized under the Labour Relations Code of B.C.
- 2.06** As a condition of employment, or continued rights to recall by seniority, employees must maintain membership in good standing in the Union.

### **ARTICLE 3 - MANAGEMENT**

- 3.01** The Unions recognize and agree that:
- (a) The management and operation of the Plants and the direction of the working forces are vested exclusively in the Company.
  - (b) The Company has and shall retain the right to hire, discharge, classify, transfer and promote employees, provided that a claim of discrimination by any employee may be the subject of a grievance and be dealt with as hereinafter provided.
- 3.02** The Company reserves the right to create, supplement and alter from time to time reasonable rules and regulations to be observed by the employees, said regulations and rules not to be inconsistent with the provisions of this agreement. Copies of new rules and regulations will be provided to the employees and a copy sent to the Unions prior to them coming into effect.

### **ARTICLE 4 - HOURS OF WORK AND OVERTIME**

- 4.01**
- (a) Day Shift Hours of Work – 7:30 a.m. – 4:00 p.m.
  - (b) Afternoon Shift Hours of Work – 4:00 p.m. to 11:30 p.m.
  - (c) Graveyard Shift Hours of Work – 11:30 p.m. to 7:00 a.m.
  - (d) Lunch Break - Thirty (30) minute unpaid meal break to be provided each shift.
  - (e) Coffee Break – There will be a ten (10) minute break in the portion of the shift prior to the lunch break and a second ten (10) minute break in the portion of the shift after the lunch break.
- 4.02** The standard work day shall consist of eight (8) hours and the standard work week shall consist of forty (40) hours on the day shift.

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- 4.03** If an afternoon shift is employed, the hours of work shall be seven (7) hours per shift for which eight (8) hours will be paid at the regular rates as outlined under Schedule "A".
- 4.04** If a graveyard shift is employed, the hours of work shall be seven (7) hours per shift for which nine (9) hours will be paid at the regular rates as outlined under Schedule "A".
- 4.05** Five (5) shifts Monday to Friday inclusive shall constitute a regular week's work on all shifts, except Modified Shift 4.15.
- 4.06** Time worked in excess of standard hours will be considered as overtime; rates of pay shall be paid as follows:
- (a)** Double-time shall be paid for all overtime.
  - (b)** All work performed before or after regular shift hours will be overtime and paid at double-time rates.
  - (c)** Double-time for all work performed on Saturdays, Sundays and Statutory Holidays.
  - (d)** In the event an employee is required to work during his lunch period he shall receive double time for his lunch period. In addition he shall receive an unpaid lunch period.
- 4.07**
- (a)** It is intended that every employee shall have eight (8) hours rest between shifts. In the event that an employee is recalled to work before such eight (8) full hours elapse, he shall be considered as still working on his previous shift and shall be paid the appropriate overtime rates for work performed after recall. No employee shall be permitted to resume work on his own accord until eight (8) full hours have elapsed. Employees who have worked their regular shift and work overtime to the extent of not getting an eight (8) hour break, will not lose the time taken from their next regular shift to make up the eight (8) hour break.
  - (b)** Unless otherwise notified, employees who report for their regular shifts shall receive a minimum of four (4) hours' pay unless reasons beyond the control of the Company, such as power breakdown, inclement weather, etc., when men may be sent home and paid only for the actual time worked, with a minimum of two (2) hours'.
- 4.08** Employees called in before their regular starting time shall be paid at double-time rates for time worked prior to their regular starting time.
- 4.09** Employees who have left the Plant, or the job, at the end of a normal shift and are called in to work, shall be paid the usual overtime rate for the time worked with a minimum of four (4) hours pay at straight time rates.
- 4.10** In order to bring about a stabilization of employment and to provide employees with a greater degree of job security, the Company agrees whenever feasible to eliminate overtime.
- 4.11** On July 1<sup>st</sup> and January 1<sup>st</sup> of each year employees will opt in writing to either bank all their overtime, or to bank one hour and be paid one hour for each hour of overtime worked for the next six (6) months. If notice is not given to the Company, overtime will not be banked and the employee will be paid their overtime on their regular pay.

Banked overtime may be taken as paid time off at a time mutually agreed between the Employer and the employee.

Banked overtime not taken as paid time off will be paid out at the earlier of:

- 1) the employee decides to no longer bank the overtime; or
- 2) July 1<sup>st</sup> and January 1<sup>st</sup> of each year.

- 4.12** Whenever possible the Company will notify employees on Thursday if overtime is to be worked on the weekend.
- 4.13** In order to accommodate continuous operations staggered lunch periods may be scheduled. In any event, no employee's meal period will be scheduled to start any later than five hours after commencement of a shift. Whenever possible, employees whose lunch times are to be changed will be notified of the change no later than the end of the previous shift.
- 4.14** **CLEANUP** - The Company agrees to blow a warning whistle five (5) minutes prior to the end of each full shift, at which time employees will be allowed to return Company tools, gather up their own tools, and make out their time sheets, preparatory to leaving the job. It is agreed that employees will work on the job until the warning whistle blows and that they will remain in their shop, locker room, or designated area until the final whistle blows.
- 4.15** **MODIFIED SHIFT:** Where the Company so requires employees may be employed in the Plant on a modified work week where four (4) 10-hour shifts commencing
- i. Sunday to Wednesday or
  - ii. Wednesday to Saturday
- shall constitute a week's work. The following conditions apply:
- (a) 10-hour Day Shift Hours of Work – 6:30a.m. - 5:00p.m.
  - (b) 10-hour Afternoon Shift Hours of Work – 5:00 p.m. - 3:30 a.m.
  - (c) Shift start and stop times may be changed by mutual agreement between the Company and the Union.
  - (d) Lunch Break - Thirty (30) minute unpaid meal break to be provided each shift.
  - (e) Coffee Break – There will be a fifteen (15) minute break in the portion of the shift prior to the lunch break and a second fifteen (15) minute break in the portion of the shift after the lunch break.
  - (f) For a Statutory Holiday an employee shall receive ten (10) hours pay. Only the cost of the 1<sup>st</sup> 8 hours paid shall be deducted from the employee's credit account. By October 31<sup>st</sup> of each year the parties will agree which days will be observed as Statutory Holidays for all employees working the modified shifts.
  - (g) Training and modified shifts will be offered on a strictly voluntary basis:
    - i) to those employees who have already been trained on the machines or work, followed by:
    - ii) employees in the classification required starting with the most senior and continuing in order downwards.

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- (h) Offers for training and/or 10 hour shifts will be made in writing. The offers will make clear that declining the training could result in employees being laid-off out of seniority if the employee is unable to run the machines or work the shifts required. Each employee who receives an offer will have two working days or such longer time as may be agreed to consider the offer. Offers must be accepted or declined in writing. If the employee requests, the shop steward may be present when he signs the offer. Copies of signed offers will be provided to the Union(s).
- (i) Shifts will be arranged in weekly blocks for a minimum of four weeks at least 2 weeks in advance of commencement. Otherwise 2 consecutive days off must be given to employees starting or ending modified shifts. Any work performed on these days off shall be paid at the overtime rates and conditions provided in this Article.
- (j) Senior employees who have been laid-off under (h) above shall be recalled and the junior employee laid-off if the junior employee is no longer performing work the senior employee cannot perform.
- (k) Shift differential for the 10-hour Day Shift shall be 5% of the classified wage rate.
- (l) Shift differential for the 10-hour Afternoon Shift shall be 25% of the classified wage rate.
- (m) Time worked in excess of standard hours will be considered as overtime; rates of pay shall be paid as follows:
- i) Double time shall be paid for all overtime.
  - ii) All hours worked before or after regular shifts will be overtime and paid at double time rates.
  - iii) Double time worked for a regular days off and Statutory Holidays.
  - iv) In the event and employee is required to work during his lunch period he shall receive double time for his lunch period. In addition he shall receive an unpaid lunch period.

## **ARTICLE 5 - GRIEVANCE AND ARBITRATION PROCEDURE**

- 5.01** "Grievance" means any difference by the parties or persons bound by this Agreement concerning its interpretation, application, operation or any alleged violation thereof, including discharge for cause alleged to be unjust or the question of whether or not a matter is arbitrable. "Party" means either of the Parties to this Agreement. Discharge shall not include lay-off of employees for reasons of efficiency or reduction of forces on suspension or completion of work or by reason of lack of work.
- 5.02** The Parties mutually agree that when a grievance arises it shall be taken up in the manner as subsequently set out in this Article. It is agreed that the settlement of any grievance shall not conflict with the provisions of this Agreement. Such settlement shall be binding on the Company, the Union and the employee(s) concerned, but it shall not be construed as a precedent in respect to any other grievance.
- 5.03** No grievance will be entertained by either Party unless instituted by the aggrieved party within five (5) working days of its occurrence or within five (5) working days of the grievors knowledge of its occurrence

and a grievance arising out of alleged unjust discharge must be instituted within five (5) working days of its occurrence. These time limits and those prescribed in Steps 1 through 4 hereafter shall be strictly adhered to.

Group, policy and discharge grievances will be initiated at Step 3 of the grievance procedure.

**STEP 1** - Employees will attempt to settle any complaint or disagreement with their immediate supervisor before initiating grievance procedure. Failing settlement by this medium the matter shall proceed to Step 2 within five (5) working days.

**STEP 2** - The Job Steward shall then discuss the grievance with the Foreman or Department Head in an attempt to achieve a settlement. Failing settlement at this stage the matter shall be referred to Step 3 within five (5) working days.

**STEP 3** - The particulars of the grievance shall be set out in writing by the aggrieved party and shall be delivered to the other party. The Plant Manager or his nominee and the Union Business Agent or his nominee shall forthwith confer and attempt to achieve a settlement.

**STEP 4** - If the grievance is not settled pursuant to the above Step 3 within five (5) working days or such longer time as the Parties agree then it shall be referred to an Arbitration Board composed of three (3) persons, as follows:

- (a) The Party desiring arbitration, shall appoint a member for the Board, and shall notify the other Party, in writing, of its appointment, and particulars of the matter in dispute.
- (b) The Party receiving the notice shall within five (5) days thereafter, appoint a member for the Board and notify the other Party of its appointment.
- (c) The two (2) arbitrators so appointed shall confer to select a third person to be Chairman, and failing for three (3) days from the appointment of the second of them to agree upon a person willing to act, either of them may apply to the Minister of Labour to appoint such a third person.
- (d) The Arbitration Board shall sit, hear the Parties, settle the terms of the question to be arbitrated and make its award within ten (10) days from the date of the appointment of the Chairman, provided the time may be extended by the agreement of the Parties.  
The Board shall deliver its award to the Parties and the award of the Board shall be final, conclusive and binding upon the Unions, the Company, and the employees, and they shall implement it forthwith.
- (e) Each Party shall pay its own cost and expense of arbitration, the remuneration of its appointee to the Board, and one-half of the compensation and expenses of the Chairman and stenographic and other expenses of the Arbitration Board.

**5.04** All interpretations of this Agreement shall be in writing and signed by representatives of the Parties concerned and shall become part of this Agreement.

**5.05** Employees being subject to discipline shall have the right to have a shop steward present when the discipline is imposed. If a shop steward is not available the employee may select another employee to attend.

**5.06** After one (1) year from issuance and providing the employee has not incurred further discipline, the

Company will remove verbal and written warnings from the employee's file and they will not be used against the employee in future proceedings.

**5.07** Letters of Concern are intended to alert an employee to what the Company perceives to be areas of performance or behavior upon which the Company believes the employee could improve. Letters of Concern are not part of the disciplinary process although, if the performance or behavior does not improve, discipline could be issued in the future. Where no further Letters of Concern or discipline have been imposed during the interim, Letters of Concern will be withdrawn from the employee's file after one year from issuance and will not be used against the employee in future proceedings.

**ARTICLE 6 - VACATIONS**

**6.01** Vacation Year - Start of first full pay period in July to the end of the last pay period in June.

**6.02** Vacations will not be accumulated and taken in following years.

**6.03** Employees will not be paid in lieu of vacations.

**6.04** Vacation time will normally be mutually arranged between the Company and the employee. At the end of December, the Company will provide the Union with a list of employees who have not yet scheduled their entire vacation period and the Union will have until March 31st to advise such employees to schedule their vacations. After March 31st, the Company shall have the right, after consulting with the employee, to schedule outstanding vacations.

**6.05**

| <u>PAY PERIODS</u> | <u>VACATION PAY</u> | <u>VACATION PERIOD</u> |
|--------------------|---------------------|------------------------|
| Less than 26       | 4%                  | Prorated in days       |
| 26                 | 4%                  | 2 weeks                |
| 78                 | 6%                  | 3 weeks                |
| 208                | 8%                  | 4 weeks                |
| 338                | 10%                 | 5 weeks                |
| 468                | 12%                 | 6 weeks                |

8 hour shifts - one week = 5 working days (40 hours)

10 hour shifts - one week = 4 working days (40 hours)

Any employee who is within two (2) pay periods of qualifying in any of the above clauses will be considered to have qualified, and shall be entitled to his vacation time accordingly, provided that he returns to work and fulfils any financial obligations to the Company.

Vacation pay percentage will apply to gross earnings.

Pay periods will include only those pay periods in which the employee has worked forty (40) or more hours.

Worked hours include:

- (a) time worked
- (b) vacation and statutory holidays
- (c) paid bereavement leave and jury duty
- (d) school time for apprenticeship and first aid training
- (e) time on WCB
- (f) approved short term Union leaves.

Employees who work complete afternoon or graveyard shifts will have eight (8) hours included for that shift.

- 6.06** Employees may elect to have their vacation pay paid on each pay cheque. This election may be made only once each year and will take effect from the beginning of the next July. Employees who choose to have their vacation pay accrued by the Company shall have it paid out when the employee takes his vacation.

## **ARTICLE 7 - STATUTORY HOLIDAYS**

- 7.01** The following Statutory Holidays, or the days which are designated for them shall be observed:

- |    |                |     |                  |
|----|----------------|-----|------------------|
| 1. | New Year's Day | 7.  | Labour Day       |
| 2. | Good Friday    | 8.  | Thanksgiving Day |
| 3. | Easter Monday  | 9.  | Remembrance Day  |
| 4. | Victoria Day   | 10. | Christmas Day    |
| 5. | Dominion Day   | 11. | Boxing Day       |
| 6. | BC Day         | 12. | Heritage Day     |

The 12th Statutory Holiday, Heritage Day, provided above shall be observed on the 3rd Monday in February unless or until an alternate day is declared by the Federal Government.

- 7.02** The Company will credit each employee the sum of 4.6% of gross earnings in lieu of Statutory Holiday Pay.

Employees will receive the equivalent of one (1) day's pay upon the occurrence of a Statutory Holiday. The cost of each Statutory Holiday paid shall be deducted from the employee's credit account.

It is understood that occasions may occur when an employee may not have sufficient funds in his account to cover payment for a Statutory Holiday. In such cases the employee will receive payment for the day and the difference between the day's pay and the amount in the credit account which shall be considered a debt owed to the Company which shall be paid either by future accumulations during the year, by adjusting the employee's last cheque upon lay-off or termination or by making the annual adjustment set out below.

With the second pay period paid in May of each year all funds outstanding to employees will be paid out to clear the account or the employee's pay cheque will be adjusted to recover any monies owed to the Company.

- 7.03** When a Statutory Holiday falls on a Saturday or a Sunday, the following Monday will be observed in its place and for purposes of this Agreement, the observed day shall be the Statutory Holiday.

If two Statutory Holidays in a row fall on a Saturday and Sunday, the following Monday and Tuesday will be observed in their place and the above conditions will apply.

In either of the above cases, if a day(s) other than Monday or Tuesday is officially declared as the holiday by the Provincial or Federal Government, then that day(s) will be the holiday and not the Monday and Tuesday as outlined above.

- 7.04** No work shall be done on Labour Day except to protect life and property.

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**ARTICLE 8 - WAGES**

**8.01** The wage rates for existing classifications shall be those agreed upon and set out in Schedule "A" attached to and forming part of this Agreement.

If any new job classification(s) are established, the Employer and the Unions agree to negotiate a rate for such classification(s).

If the Employer and the Unions are unable to reach agreement on an appropriate wage rates to apply to new classification(s), then the matter shall be referred to Arbitration as provided elsewhere in this Agreement.

**8.02** **PREMIUM PAY** - Time and one-quarter will be paid for welding and burning on galvanized bronze or brass metals, air arc gouging and for friction sawing.

**ARTICLE 9 - GENERAL PROVISIONS**

**9.01** Any employee suffering injury while in the employ of the Company must report immediately to that person indicated by the Management to administer First-Aid. Also, this same employee shall report to the office, on the forms provided, all particulars of such accident(s).

**9.02** Any employee being discharged for disobeying the rules of the Company will only be paid up to the time of discharge.

**9.03** A notice board will be provided for the posting of all official Union notices.

**9.04** Adequate washroom facilities will be provided by the Company and kept in a sanitary condition. Employees will cooperate by observing the simple rules of cleanliness.

**9.05** The employees employed in this Plant will elect one (1) or more Union members who will be known as Shop Stewards or the Shop Committee and the same will be recognized by the Company.

No Shop Steward, Committee or Employee shall be discriminated against or suffer loss of employment on account of membership or activity in the Unions. Nothing in this Section shall permit an employee to discuss Company or Union affairs, except grievances being processed, during the paid hours of employment, unless at the request of the Management.

**9.06** In going to work inside the limits of the Capital Regional District (CRD) employees shall report to and finish work at the location instructed by their foreman or supervisor.

**9.07** In going to work outside the limits of the CRD and returning daily, employees shall report to and finish work at the location instructed by the foreman or supervisor. They shall be paid travel time from the Plant and all fares to and from the Plant to the place of work or alternatively be supplied with transportation by the Company.

**9.08** In going to work outside the limits of the CRD and not returning daily, employees shall receive a maximum of eight (8) hours' pay in each twenty-four (24) hours of traveling time, economy fare, accommodation and board.

**9.09** Employees required to travel before or after their regular shift shall be paid time and one-half.

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- 9.10** Production welding shall be carried out by members of the Boilermakers Union, and production machine work by members of the Machinists Union.
- 9.11** When it is necessary to lay off an employee, he shall be notified at least two (2) hours prior to such layoffs. The Employment Standards Act provisions regarding notice of lay-off or pay in lieu of notice shall also apply.
- 9.12** An employee required to use his vehicle to provide transportation for himself or others on Company time, shall be compensated for the use of his vehicle for each kilometer traveled at the rate prescribed for British Columbia in Appendix B of the Treasury Board of Canada Secretariat's Travel Directive.
- 9.13** The Company will provide coverage for employees' tools and equipment, in their own fire and theft Insurance Policy.
- 9.14** Painters, while engaged in actual spray painting, to be paid twenty cents (\$.20) over the Journeyman rate.
- 9.15** Employees required to work at an elevation of twenty-five (25) feet or more above the immediate surrounding area where no permanent platform or W.C.B.-approved platform is installed, shall be paid at the prevailing rate of pay plus one-half times straight time.
- 9.16** The Company will supply gloves to welders and burners up to a maximum of two (2) pairs per year (i.e., one (1) pair each six (6) months). These to remain the property of the Company. Additional gloves will be provided by the Company when the Shop Steward and Shop Foreman mutually agree that circumstances warrant same.
- 9.17** Tools and equipment which may be required by the trade and owned by the employee and which are damaged or stolen during the performance of work, will be repaired or replaced with tools of equal quality by the Company.

In order to qualify for tool replacement, employees must provide the Company with a complete tool list and keep it up-dated.

**TOOL ALLOWANCE** - Journeymen and Apprentices will be paid a three cent (\$.03) tool allowance for each hour worked.

- 9.18** **SAFETY BOOTS** – Employees will be reimbursed to a maximum of one hundred dollars (\$100.00) per contract year for the purchase of CSA approved safety boots. To claim the reimbursement, receipts must be provided.
- 9.19** **EYE PROTECTION** - The Company will reimburse employees for the initial cost of obtaining Company approved safety lenses and frames for prescription eye glasses. The cost of obtaining lenses required due to subsequent wear or accidental damage shall be shared equally between the Company and the employee.
- 9.20** The Company will provide parking wherever possible at no charge to the employee, but the Company accepts no responsibility for damage, vandalism or theft from the employee's vehicle other than that provided by law.

**ARTICLE 10 – HEALTH, WELFARE & PENSION****(Effective January 1, 2004)**

**The parties will have to determine implementation procedures on transfer of coverage to the Union administered plans.**

The Company will remit one hour's contribution for each hour worked and eight (8) hours contribution for each vacation day taken. Employees shall receive ten (10) hours contribution for each vacation day taken while working on modified shifts. Employees who work complete afternoon or graveyard shifts shall receive eight (8) hour's contribution for that shift. employees who do not work a complete afternoon or graveyard shift shall receive contributions only for those hours worked. Contributions will be remitted by the fifteenth of the month following that in which they were earned. The Company agrees to submit to each Union a list, or lists, of employees together with the number of actual hours worked by each employee covered by the Company's remittance to the Union.

Each Union will provide the Company with two months notice of any changes of how the contribution is to be divided between Pension and Health & Welfare.

The Employer shall be entitled to the full EI premium rebate.

Contribution per hour:

|                 |        |
|-----------------|--------|
| January 1, 2004 | \$3.88 |
| January 1, 2005 | \$4.13 |

**ARTICLE 11 - SENIORITY**

**11.01** In the event of a reduction in the working force, employees will be laid off in accordance with length of service with the firm (i.e., the last man hired will be the first man released subject to classification, competence, efficiency, skill and ability).

**11.02** When re-hiring, the Company and the Unions agree to do so in the reverse order of lay-off (i.e., the last man laid off will be the first man re-hired subject to classification, competence, efficiency, skill and ability). It is therefore agreed that employees will retain re-hire rights during layoffs.

**11.03** The seniority of each employee covered by this Agreement will be established after a probationary period of sixty (60) days worked. After successful completion of the probationary period, the employee will be placed on a seniority list with the seniority dated from the first day of hiring. If a probationary employee is laid off without accumulating the necessary sixty (60) days service and thereafter recalled, the days which have accumulated shall be counted towards the completion of the probationary period. If the probationary employee is laid-off for an unbroken period of more than six (6) months and is rehired he will return as a new hire.

**11.04** The Company shall prepare Seniority lists and make such lists available to the Unions.

**11.05** Seniority of employees shall be lost in the following circumstances:

1. Employees quitting of their own accord.
2. Employees discharged for cause and who are not reinstated by the Company under the Grievance Procedure of this Agreement.

3. Employees who are out of the service of the Company for an unbroken period of more than one (1) year if they have less than three (3) years of seniority, and two (2) years if they have three (3) years or more of seniority excepting an employee who is on Workers' Compensation as the result of an accident during the course of his work for the Company and who is absent for a period exceeding the above noted time periods, shall not be considered to have been out of the employ of the Company for a period exceeding the above noted time periods, when returning to work, unless he has been laid off, in accordance with seniority, during the time absent on compensation and the extent of the lay-off is more than the applicable time period.

Time spent on lay-off will not increase the employee's seniority retention period unless the employee is first recalled to work.

- 11.06 Apprentices, upon successful completion of their apprenticeship shall be given Journeyman seniority equal to their apprenticeship training period with the Company.
- 11.07 When employees are laid off due to lack of work, seniority shall be maintained for the period of lay-off, providing work is not available. An employee with seniority standing, when recalled for work, shall have the right to compare the length of work involved with his present employment to decide on a by-pass. If by-passing the work call one, the employee shall lose his seniority standing if he does not come in on the next call. There shall be a sixty (60) calendar days between the first and second call before compulsion is evoked. (Sickness confirmed by a doctor will not be counted as a by-pass). Loss of seniority in these cases will be subject to review of the circumstances by the Parties to this Agreement, with the power to re-establish the employee's seniority rights after consideration.
- 11.08 **LEAVES OF ABSENCE** - Employees may be granted Leaves of Absence without affecting their seniority. Application must be made in writing. Such Leaves of Absence must be granted in advance, in writing, by the Foreman, and an approved copy kept in the employee's file in the Personnel Department, and a copy will also be sent to the Union(s).

Application for Leaves of Absence of 1 month duration and longer must be received at least 1 month prior to commencement of the leave, except when time is of the essence for a compassionate leave. The Company will discuss such applications with the Union(s) prior to making its decision.

- 11.09 Employees who move to salaried staff or supervisory positions within the Company, who leave their Union(s) in good standing and later return to the bargaining unit, will maintain their seniority.
- 11.10 Discussions will be held with the Union business representative(s) before a lay-off or rehiring out of seniority is made.

## **ARTICLE 12 - TECHNOLOGICAL CHANGE**

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

- (a) Training and retraining.
- (b) Alternate employment opportunities with the Yard.

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

In addition, the Company will cooperate with the Unions and the Government in matters of training or retraining.

If an employee whose service exceeds three (3) years is terminated as a result of technological change, he will receive severance pay of one (1) week's pay for each year of service with a maximum payment of eight (8) weeks' pay.

#### **ARTICLE 13 - OVERTIME MEALS**

- 13.01** Employees advised prior to the end of their normal shift that overtime will be worked the following day, after working their normal shift for that day, will bring their own meals.
- 13.02** Employees notified any time during their normal shift that overtime will be worked, which may exceed two (2) hours following completion of their shift, it is agreed and understood that the Company will pay for a hot meal not to exceed twelve dollars and fifty cents (\$12.50), to be consumed on Company time, prior to the overtime commencing. It is agreed and understood that the time for consuming the hot meal is not to exceed one-half (1/2) hour and further, hot meals not to exceed twelve dollars and fifty cents (\$12.50) will be provided by the Company at four (4) hour intervals until a break of at least eight (8) hours is taken.

#### **ARTICLE 14- BEREAVEMENT PAY**

- 14.01** In the event of a death in the immediate family of an employee, such employee shall be granted three (3) days' leave of absence with full pay for the purpose of arranging or attending the funeral. Immediate family shall mean husband, wife, mother, father, step-mother, step-father, sister, brother, children, mother-in-law, father-in-law, common-law spouse, grandmother and grandfather. Employees to be eligible must be actively employed at the time of bereavement.

#### **ARTICLE 15 - JURY DUTY**

- 15.01** Leave of absence with pay shall be given to every employee, other than an employee on leave of absence without pay, or under suspension, who is required:
- (a) To serve on a jury.
  - (b) By subpoena or summons to attend as a witness in any proceedings held.
    - (1) In or under the authority of a court or justice or before a grand jury.
    - (2) Before a court, judge, justice, magistrate or coroner.

Provided however, that any such employee shall make himself available for work before or after being required for such duty wherever practicable.

It is further agreed that the employee shall reimburse the Company for any monies paid to him for Jury Duty.

### **ARTICLE 16 - APPRENTICES**

**16.01** When the Company requires apprentices, it agrees to advise the Unions. When an apprentice is hired, the Unions will be advised. Upon completion of the probationary period, the apprentice will be required to make application for Union membership.

**16.02** The rates of pay for apprentices, shown as a percentage of the Journeyman rate, shall be as set out below:

| <u>Period of Apprenticeship</u> | <u>Percentage of Journeyman Rate</u><br><u>4 Year Term</u> |
|---------------------------------|--|
| 1st 6 months                    | 50%  |
| 2nd 6 months                    | 55%  |
| 3rd 6 months                    | 60%  |
| 4th 6 months                    | 65%  |
| 5th 6 months                    | 70%  |
| 6th 6 months                    | 75%  |
| 7th 6 months                    | 85%  |
| 8th 6 months                    | 95%  |

**16.03** When an apprentice attends Vocational School, the Company will continue to pay the apprentice his normal full time wages and recover the appropriate Canada Manpower Grants allocated to the apprentice. The Company will recover from an apprentice only the amount of the Income Replacement Allowance.

**16.04** The Company will reimburse apprentices for the text books required for their apprenticeships.

**16.05** The Company will pay tuition costs to attend Vocational School.

**16.06** The Apprentice will be paid all straight time wages and benefits and receive all vacation credits he would normally receive if he were working. Articles 9.07, 9.08 and 9.09 do not apply.

### **ARTICLE 17 - MOONLIGHTING**

**17.01** The Company and the Unions agree that the practice commonly known as "Moonlighting" is wrong in principle. The term "Moonlighting" for the purpose of this clause shall refer to a full-time employee who regularly makes a practice of working for another Employer.

(a) When this practice affects or conflicts with the Company's business or the employee's ability to perform his job, it shall be cause for reprimand or dismissal.

(b) When this practice affects or conflicts with the Unions' policy, the Company agrees to cooperate with the Unions in reprimand or dismissal.

**ARTICLE 18 - DURATION OF AGREEMENT**

**18.01** This Agreement shall be for the period from and including August 15th, 2003 to and including August 14th, 2008, 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 the expiry of this Agreement (August 14th, 2008) or immediately preceding August 14th in any year thereafter, by written notice, to require the other Party to the Agreement to commence collective bargaining.

**18.02** During the term of this Agreement there shall be no lockout by the Company and no strike, or any act or omission by the Union or any employee(s) that is intended to, or does, restrict or limit production or services.

**18.03** By agreement of the Parties hereto, the provisions of Section 50 (2 & 3) of the Labour Relations Code of British Columbia are specifically excluded.

**18.04** Should either Party give written notice as aforesaid, this Agreement shall thereafter continue in full force and effect and neither Party shall make any change in the terms of the said Agreement (or increase or decrease the rate of pay of any employee for whom collective bargaining is being conducted or alter any other term or condition of employment) until:

- (a) the Union shall give notice to strike (or until the Union goes on strike), or
- (b) the Employer shall give notice of lockout (or the Employer shall lock out its employees), or
- (c) the Parties shall conclude a renewal or revision of this Agreement or enter into a new Collective Agreement, whichever is the earliest.

DATED AT Victoria, BC, this \_\_\_ day of \_\_\_\_\_, 2004.

MACHINISTS, FITTERS & HELPERS  
INDUSTRIAL UNION, LOCAL NO. 3 &  
INTERNATIONAL BROTHERHOOD OF  
BOILERMAKERS, IRON SHIPBUILDERS,  
BLACKSMITHS, FORGERS & HELPERS,  
LOCAL NO. 191 (In Joint Certification)

NICHOLSON MANUFACTURING LTD.

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\_\_\_\_\_

\_\_\_\_\_  
WESTERN EMPLOYERS LABOUR  
RELATIONS ASSOCIATION

\_\_\_\_\_  
\_\_\_\_\_

**SCHEDULE "A****WAGE RATES**

|                         | <u>Aug. 15/03</u> | <u>Aug. 15/04</u> | <u>Aug. 15/05</u> | <u>Aug 15/06</u> | <u>Aug. 15/07</u> |
|-------------------------|-------------------|-------------------|-------------------|------------------|-------------------|
| MACHINISTS              | 27.92             | 28.48             | 29.05             | 29.63            | 30.30             |
| STEEL FABRICATORS       | 27.92             | 28.48             | 29.05             | 29.63            | 30.30             |
| WELDERS                 | 27.92             | 28.48             | 29.05             | 29.63            | 30.30             |
| MACHINE OPERATOR        |                   |                   |                   |                  |                   |
| First 1140 Hours Worked | 16.74             | 17.07             | 17.41             | 17.76            | 18.16             |
| After 1140 Hours Worked | 20.93             | 21.35             | 21.78             | 22.22            | 22.72             |
| INSPECTOR SPECIALIST    |                   |                   |                   |                  |                   |
| First 1040 Hours Worked | 22.71             | 23.16             | 23.62             | 24.09            | 24.63             |
| After 1040 Hours Worked | 24.29             | 24.78             | 25.28             | 25.79            | 26.37             |
| INSPECTOR               |                   |                   |                   |                  |                   |
| Start                   | 19.11             | 19.49             | 19.88             | 20.28            | 20.74             |
| After 12 months         | 20.17             | 20.57             | 20.98             | 21.40            | 21.88             |
| After 24 months         | 21.23             | 21.65             | 22.08             | 22.52            | 23.03             |
| HELPERS                 | 21.76             | 22.20             | 22.64             | 23.09            | 23.61             |
| SHOP LABOURER           |                   |                   |                   |                  |                   |
| First 520 Hours Worked  | 14.73             | 15.02             | 15.32             | 15.63            | 15.98             |
| Thereafter              | 17.99             | 18.35             | 18.72             | 19.09            | 19.52             |
| STORESMAN               |                   |                   |                   |                  |                   |
| First 520 Hours Worked  | 14.73             | 15.02             | 15.32             | 15.63            | 15.98             |
| Thereafter              | 17.99             | 18.35             | 18.72             | 19.09            | 19.52             |

Note: Each Union may elect to send all or part of a wage increase to Health Welfare & Pension.

It is understood that from time to time Storemen and Machinist Labourers job duties may overlap in the Machine Shop.

Employees will receive a bonus payment of fifty-nine cents (\$.59) per hour worked. At the time of employment employees will elect to either receive the payment with each pay cheque or to have the payment directed to the Pension Plan. By December 15<sup>th</sup> of each year employees may change their election for the following calendar year. If the employee does not advise the Company of a change the existing election will continue. Payments will be made the same as under Article 18.01 (effective January 1<sup>st</sup>, 2004 – Article 10). If directed by the Union(s) and with two months notice the Company will direct all bonus payments to the Health, Welfare and Pension Plan.

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**LABOURERS** will be paid Helpers rate for all hours spent operating the cut-off saw, the centering machine, the vertical band saw, pedestal grinding, drilling and friction sawing.

**LARGE MACHINE DIFFERENTIAL** – The Company agrees to pay a \$.20 premium for H1, H2, V1 & V2. The Company may designate other machines as necessary.

**GRINDING PREMIUM** – when Operating the nine-inch disc grinder, Labourers will receive a premium of \$.25 per hour.

**SENIOR CHARGE HANDS** will receive nine percent (9%) per hour premium pay above the Journeyman's rate.

**CHARGE HANDS** will receive six percent (6%) per hour premium pay above the Journeyman's rate.

**KEN MCLENNAN** will receive \$19.16 per hour effective from August 15th, 2003, \$19.54 effective August 15th, 2004 and \$19.93 effective from August 15th, 2005, \$20.33 effective from August 15<sup>th</sup>, 2006 and 20.79 effective August 15<sup>th</sup>, 2007.

**DON AXFORD'S** rate will be equal to the Machinists rate multiplied by 1.043

**FIRST AID ATTENDANTS** : Designated First Aid Attendants will be paid the following premiums in addition to their job rates: Level 2 - \$.65

The Company will pay the cost of the First Aid Course for designated First Aid Attendants.

When the Company requests an employee take a First Aid course or to renew his First Aid ticket and the employee agrees to do so, the course will be paid by the Company and the employee will be paid for the time he attends the course.

**LETTER OF AGREEMENT**

**BETWEEN: WESTERN EMPLOYERS LABOUR RELATIONS ASSOCIATION**  
**(for and on behalf of Nicholson Manufacturing Ltd.)**

**AND: MACHINISTS, FITTERS & HELPERS INDUSTRIAL UNION,**  
**LOCAL NO. 3**

**AND: INTERNATIONAL BROTHERHOOD OF BOILERMAKERS, IRON**  
**SHIPBUILDERS, BLACKSMITHS, FORGERS & HELPERS**  
**LOCAL NO. 191 (In Joint Certification)**

- 1) Peter Bowers will be able to continue doing bargaining unit work in addition to his supervisory duties to the same extent as in the past.

DATED AT Victoria, BC, this \_\_\_\_ day of \_\_\_\_\_, 2004.

MACHINISTS, FITTERS & HELPERS  
INDUSTRIAL UNION, LOCAL NO.3 and  
the INTERNATIONAL BROTHERHOOD OF  
BOILERMAKERS, IRON SHIPBUILDERS,  
BLACKSMITHS, FORGERS & HELPERS,  
LOCAL NO. 191 (In Joint Certification)

NICHOLSON MANUFACTURING LTD.

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WESTERN EMPLOYERS LABOUR  
RELATIONS ASSOCIATION  
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