

COLLECTIVE AGREEMENT

BETWEEN: SULZER PUMPS (CANADA) INC.

AND: Communications, Energy and Paperworkers Union of Canada, Local
433

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BETWEEN: SULZER PUMPS (CANADA) INC.
[hereinafter referred to as the "Company"]

Party of the First Part;

**AND: Communications, Energy and Paperworkers Union of Canada,
Local 433**
[hereinafter referred to as the "Union"]

Party of the Second Part;

PURPOSE

The purpose of this Agreement is to maintain a harmonious relationship between the Company and employees; to define clearly the hours of work, rates of pay and conditions of employment; to provide for an amicable method of settling differences which may from time to time arise; and to promote the mutual interest of the Company and its employees, and in recognition whereof, the Parties hereto covenant and agree as follows:

Neither the Union nor the Employer in carrying out their obligations under this Agreement shall discriminate in matters of hiring, training, promotion, transfer, lay-off, discharge or otherwise because of race, colour, creed, national origin, age, sex, sexual orientation or marital status.

ARTICLE 1 — RECOGNITION

1.01 This Agreement shall apply solely to employees in the bargaining unit for which the Union is certified under the B.C. Labour Code Act and shall be binding on the Employer and the Union and their respective successors and assigns.

Employees are excluded who are qualified to become registered members of the Association of Professional Engineers without further examination and who are classified as Engineers or Engineers in Training (E.I.T.), it being agreed that no classification shall include "Engineer" in this title unless the education normally required for the proper performance of work is the equivalent of that required to qualify for the said registered membership.

1.02 Upon written authorization from the employee the Employer agrees to deduct Union Initiation fees, dues and assessments from the wages of each employee and to transmit the monies so collected to the Union, once monthly, together with a list of employees from whom such deductions have been made.

ARTICLE 2 — UNION SECURITY

2.01 As a condition of employment, every employee covered by this Agreement who is or shall become a member of the Union, shall remain a member during the life of this

Agreement.

All employees hired subsequent to the date of ratification of this Agreement, as a condition of employment, shall within thirty (30) days from the date of employment, become and remain members in good standing of the Union.

ARTICLE 3 — UNION REPRESENTATION

3.01 Office Committee

The Company shall recognize an Office Committee of three (3) employees elected by the bargaining unit to act as Office Stewards.

(a) Composition of the Committee

Two (2) of the Committee Members must have a minimum of one (1) year's service with the Company.

Wherever possible, there shall be no more than one (1) employee from any department on the Office Committee.

(b) Authority of the Committee shall include the following activities:

The investigation and presentation of grievances and disputes and of such complaints or evidence as may give rise to grievances or disputes.

Participation in collective bargaining and in arbitration hearings when authorized by the Union.

Transmission, posting or otherwise delivering Union notices or bulletins of information to employees or to the Company.

The Steward or Alternate will be allowed to be present during disciplinary action at the request of the employee being disciplined.

(c) Time spent on Union Business

It is understood that the Office Committee Steward has his/her regular work to perform on behalf of the Company and will spend only such time during working hours as is necessary to carry out their activities in 3.01(b) above. The Steward will obtain the permission of his/her supervisor before leaving his/her work to deal with the above activities.

The Steward will be allowed to carry out his/her duties under 3.01(b) above without loss of pay, however, it is understood that no payment shall be made for participation in collective bargaining which extends beyond the regular work day.

ARTICLE 4 — THE RIGHTS of the COMPANY

4.01 Management rights exercised by the Company are reserved to and are vested exclusively in the Company subject to the provisions of this collective Agreement.

ARTICLE 5 — DEFINITION of EMPLOYEES

5.01 Probationary Employee

All new employees employed in job levels #1 through #4 will be considered probationary for the first sixty (60) days of employment. All new employees employed in job levels #5 through #12 will be considered probationary for the first ninety (90) days of employment.

Employee absences shall not be included in the said probationary periods. After successful completion of the probationary period an employee will become regular. A probationary employee attaining regular status will have rights under this Agreement which are based on length of service or seniority dated from the start of continuous employment.

5.02 Regular Employees

An employee hired to work on a full-time basis in a regular continuing position.

5.03 Temporary Employees

(a) Definition

An employee hired for a specific period not exceeding three (3) months duration, except when extended by mutual agreement between the Union and the Employer, or an employee hired on an on-call basis for a period not exceeding five hundred (500) hours.

(b) Temporary employee to attain regular status

A temporary employee shall attain regular status after three (3) months full-time temporary employment or five hundred (500) hours of on-call temporary employment and shall have the rights under this Agreement which are based on length of service or seniority dated from the start of continuous employment if full-time or accumulated service if on-call.

(c) Bridging of temporary employment

A temporary employee hired back within thirty (30) days of lay-off shall continue to accrue service towards regular status.

(d) Benefits

Temporary employees shall receive vacation pay and statutory holiday benefits in accordance with the Employment Standards Act of B.C. and Employment Standards Act Regulations.

(e) Any temporary employee hired for two (2) weeks or more shall pay sum equal to dues.

5.04 Regular Part-time Employees

An employee hired on a permanent part-time basis who works less than the regular full-time hours of work per week. Such employees shall be covered by all conditions of this Agreement except as follows:

(a) Sick leave entitlement shall be on a pro-rata basis consistent with the time employed.

(b) Statutory holiday pay shall be the average of the employee's daily earnings,

exclusive of overtime, for the days the employee has worked in the four (4) week period immediately preceding the week in which the general holiday occurs, provided however, that should the statutory holiday occur on a regularly scheduled working day, the employee shall receive that day off with full pay.

5.05 Maximum allowable temporary or part-time employees

The number of temporary full or part-time employees shall not exceed three (3) at any one time. This number shall only be increased by mutual agreement.

ARTICLE 6 — HOURS of WORK, OVERTIME and SHIFT PREMIUM

6.01 The basic work day for full-time employees shall be eight (8) hours worked between the hours of 7:00 a.m. and 5:15 p.m. and the basic work week shall be forty (40) hours Monday to Friday inclusive.

(a) Shift Premiums

If a second shift is employed, the hours of work shall be eight (8) hours per shift; with a daily shift premium paid to each such employee in the amount of forty-five (45) minutes additional pay calculated on the employee's job level rate of pay. Second shift is defined as an eight (8) hour period worked commencing after the start of the regular day shift.

(b) If a third shift is employed, the hours of work shall be seven and one-half (7½) hours per shift; with a daily shift premium paid to each such employee in the amount of one and one-quarter (1¼) hours additional pay calculated on the employee's job level rate of pay. Third shift is defined as a seven and one-half (7 ½) hour period worked commencing after the start of the second shift.

6.02 The actual starting and stopping times will be determined by the Company who will consult with the Union before changing such times.

6.03 A lunch period of thirty (30) minutes or forty-five (45) minutes, at the employee's option, will be taken in the middle of the regular working day; precise times to be arranged between the Managers and the employees.

6.04 Employees will either have access to refreshments during the day with no specified rest period or have two (2) rest periods per day of fifteen (15) minutes each, one in the morning and one in the afternoon, which shall be provided without loss of pay. But not both. Employees must make arrangements with their supervisor, before any changes are made regarding access to refreshments.

6.05 Overtime Premium

All time worked in excess of the basic work day, Monday to Friday, shall be considered overtime and be paid for at two hundred (200%) percent of the employee's regular hourly rate of pay. For the purposes of overtime calculation the provisions of Article 8.15 (i) may apply.

6.06 All time worked on Saturday, Sunday and Statutory Holidays shall be considered overtime and be paid for at two hundred (200%) percent of the employee's regular hourly rate of pay.

6.07 Meal Period

An employee requested to work overtime beyond the regular work day shall be allowed a one-half (½) hour paid meal period at two hundred (200%) percent of the employee's regular hourly rate of pay, provided such overtime is equal to or is in excess of two (2) hours work.

6.08 Call-Outs

An employee called back to work after completing a regular day's work, or from a regular day off,

shall be paid overtime rates for a minimum of four (4) hours or for the time worked, whichever is greater.

6.09 Overtime is to be voluntary but, when there are no volunteers, it is acknowledged that overtime will be worked and will be distributed equally among the employees classified to perform the work.

6.10 The Company shall give each employee at least twenty-four (24) hours notice before altering that employee's present shift. If any shift change occurs with less than twenty-four (24) hours notice, all shifts worked in that period shall be paid at the prevailing overtime rates, excluding shift differential if applicable which shall be paid as a separate premium.

6.11 Shift Break

It is intended that every employee shall have a full shift break between shifts. In the event that an employee is recalled to work before such shift break has elapsed, he/she shall be considered as still working on his/her previous shift and shall be paid the appropriate overtime rates for work performed after recall. No employee shall be permitted to resume work of his/her own accord until a full shift break has elapsed.

ARTICLE 7 — STATUTORY HOLIDAYS

7.01 (a) All employees covered by this Agreement shall receive eight (8) hours pay at the regular straight time rates for each of the following Statutory Holidays, in addition to any wages which they may be in receipt of as enumerated in Article 6, of this Agreement.

New Year's Day	Good Friday	Easter Monday
Victoria Day	Canada Day	B.C. Day
Labour Day	Thanksgiving Day	Remembrance Day
Christmas Day	Boxing Day	Floating Statutory Holiday

... and one (1) other holiday if declared by the Federal or Provincial Government.

(b) The day observed or celebrated by the Nation or Province shall be considered the Holiday, with the provision that Statutory Holidays falling on Saturday or Sunday, will be celebrated on the immediately following Monday. In cases where Statutory Holidays fall on a consecutive Saturday and Sunday, they will be celebrated on the immediately following Monday and Tuesday.

(c) Floating Statutory Holiday

The eleventh (11th) guaranteed Statutory Holiday, with pay, shall be granted to all employees who qualify with the provisions contained in Article 7 of this Agreement. The Floating Statutory Holiday is to cover those situations where a regular Statutory Holiday falls on a Thursday and/or a Tuesday, and the Monday and/or Friday would be a regular working day. In any calendar year where the preceding situation does not exist, a mutually acceptable day, which may include Heritage Day, will be chosen.

- (d) In order to qualify for a regular day's pay for a Statutory Holiday as enumerated in subsections (a), (b) and (c), the employee must have worked fifteen (15) working days' in the prior thirty (30) calendar days'.
Exceptions to the foregoing shall be made in cases where the following conditions prevail.
- (a) The employee is off work due to industrial accident or disease for a period not in excess of two (2) calendar months.
 - (b) The employee is prevented from working due to a bona fide illness for a period not in excess of two (2) calendar months. A Doctor's certificate shall be submitted as proof.
 - (c) Temporary lay-off not exceeding two (2) weeks and/or termination of services within two (2) weeks preceding any of the designated holidays.
 - (d) Where leave of absence has been approved and the employee has worked some time during the two (2) calendar weeks preceding the week in which the holiday occurs.

ARTICLE 8 — ANNUAL VACATIONS and LEAVES of ABSENCE

- 8.01 Annual vacations with pay shall be granted employees based on length of seniority with the Company as defined in Article 12.01. For the purpose of calculating vacation entitlement the vacation year shall commence in accordance with each employee's date of hire.
- 8.02 Upon completion of six (6) months service in his/her first year of employment, an employee shall be entitled to receive a paid vacation of five (5) working days which if taken, will be deducted from his/her ten (10) days earned for the first (1st) year. Such vacation shall be taken at a time mutually agreed with the Company.
- 8.03 Each employee with one (1) year or more of service shall be granted ten (10) working days of vacation annually. Payment for said vacation shall be at the employee's current wage rate at time vacation is taken or four (4%) percent of total wages, whichever is greater.
- 8.04 Each employee with three (3) years or more of service shall be granted fifteen (15) working days vacation annually. Payment for said vacation shall be at the employee's current wage rate at time vacation is taken or six (6%) percent of total wages, whichever is greater.
- 8.05 (a) Each employee with eight (8) years or more of service shall be granted twenty (20)

working days vacation annually.

Payment for said vacation shall be at the employee's current wage rate at time vacation is taken or eight (8%) percent of total wages, whichever is greater.

- (b) Each employee with fourteen (14) years or more of service shall be granted twenty-five (25) working days vacation annually.

Payment for said vacation shall be at the employee's current wage rate at time vacation is taken or ten (10%) percent of total wages, whichever is greater.

- (c) Each employee with nineteen (19) years or more of service shall be granted thirty (30) working days vacation annually. Payment for said vacation shall be at the employee's current wage rate at time vacation is taken or twelve (12%) percent of total wages whichever is greater.

8.06 The Company shall pay to each employee his/her annual vacation pay, at least seven (7) days prior to commencement of each employee's vacation.

8.07 Except in those vacation years where Maternity Leave is granted to the employee, an employee paid less than twelve hundred (1200) hours pay in the vacation year will be paid on a percentage of earnings basis for purposes of vacation payment.

8.08 Vacation Scheduling

As per Letter of Understanding which is attached to and forms part of the collective Agreement.

8.09 In the event that any of the Statutory Holidays of Article 7 occur during the period of an employee's vacation, an additional day's vacation, with pay, shall be allowed for each holiday so occurring.

8.10 Employee is permitted to carry over up to five (5) days vacation to be used in the following calendar year. When this vacation is used it will be paid out at the rate it was earned at, not at the employee's current rate.

8.11 Employee can be paid out for one (1) week of his/her vacation entitlement (as opposed to taking the time off) providing the following conditions are met:

- (a) The employee has taken off at least the minimum vacation entitlement required by law, and
- (b) Management agrees to the pay out.

8.12 Leave of Absence

The Company, at its discretion and without prejudice, may grant leave of absence to any employee. All such requests shall be in writing.

8.13 The Company will grant leave of absence, without pay, upon written request of the Union, to not more than one (1) employee at any one time to attend Union Conventions or Conferences. Such leaves shall not exceed a total of ten (10) working days per year. The Union will request such leave by giving the Company at least two (2) weeks notice prior to the commencement of the leave.

8.14 Bereavement Pay

In the case of death in the immediate family of an employee, i.e. husband, wife, common-law-spouse, child, mother, step-mother, father, step-father, brother, step-brother, sister, step-sister, mother-in-law, father-in-law, sister-in-law, brother-in-law, or grandparents; the Company, in any event, will grant the employee three (3) days leave of absence with his/her regular classification pay, or five (5) days leave of absence with his/her regular classification pay if the funeral is held outside the lower mainland and the employee attends the funeral.

8.15 Sick Leave

- (a) (i) Each employee shall be credited with up to nine (9) days sick leave entitlement per calendar year, except for new employees, who shall not receive sick leave credits for the first six (6) months of employment. After the initial six (6) months, the new employee shall be entitled to prorated sick days for the remainder of the calendar year.
- (ii) Entitlement shall be allocated on a calendar year basis. Any unused entitlement remaining as of December 31st shall be replaced by:
 - A nine (9) day entitlement each January 1st, for employees on staff as of the preceding January 1st,
 - or:
 - An entitlement prorated to reflect the length of service in the previous year if employee hired after January 1st of the preceding year.
- (b) Sick leave entitlement shall not be accumulative from year to year.
- (c) Medical/Dental appointments shall be taken out of sick leave entitlement, or time used may be made up by mutual agreement.
- (d) During periods of lengthy illness or disability, the lost working days that occur within any waiting period as described by a Wage Indemnity Plan shall be paid from the sick leave entitlement.
- (e) There shall be no payout for unused sick leave.
- (f) The Company may request verification from a Doctor for time taken.
- (g) Employees shall inform their Supervisor of any absence as soon as possible on the day taken.
- (h) Sick leave entitlement can be applied to cover absence due to illness of direct family members.
- (i) For the purposes of overtime eligibility only, sick leave taken during the basic work day will not be considered as hours worked that day.

8.16 Extended Absence for Sick Leave

An employee shall be granted extended leave of absence for sickness, without pay, up to twelve (12) months over and above the agreed sick leave accumulation, referred to in Article 8.15, during a lengthy illness or lengthy disability as certified by a Medical Doctor, during which time seniority and job classification will be retained. The Company may request that the employee be examined by a Medical Doctor of its choice.

An employee on such leave of absence shall retain the right to return to his/her former job during the twelve (12) month period.

8.17 Maternity and Parental Leave

Maternity Leave shall be provided in accordance with the Employment Standards Act, Part VII.

**ARTICLE 9 — MEDICAL PLAN, WAGE INDEMNITY and
GROUP INSURANCE PLAN**

9.01 Medical Plan

The Company shall pay the premium cost of the Medical Services Plan of B.C. as provided by the Medical Services Act of British Columbia. This Plan shall be made available to all employees covered by the collective Agreement.

9.02 Wage Indemnity Plan

A (1-3-52) Wage Indemnity Plan providing benefits of seventy (70%) percent of wages will be provided with premium costs as follows:

One hundred (100%) percent paid by Company.

9.03 Group Life Insurance

A life insurance plan providing two times the employee's annual salary rounded up to the nearest thousand. The minimum insurance for any employee is to be fifty thousand (\$50,000.00) dollars.

9.04 Dental Plan

A prepaid Dental Plan which provides coverage of one hundred (100%) percent Part "A" and sixty-five (65%) percent Part "B".

Premium costs will be as follows:

One hundred (100%) percent paid by Company.

The maximum payable per annum per person covered under the Dental Plan shall be two thousand five hundred dollars (2,500.00).

9.05 Pension Plan

The Pension Plan is outlined in Letter of Understanding #5 which is attached to and forms part of the Contract.

9.06 Extended Health Benefit

An extended health plan will be made available to all employees covered by this Collective Agreement. In addition to basic coverage the plan shall cover Birth Control Pills. Coverage shall include twenty-five (\$25.00) dollars deductible per family each year; eighty-five (85%) percent co-insurance thereafter for eligible expenses with a maximum of one million (\$1,000,000.00) dollars payment for each person covered per lifetime.

Out of Province coverage – one million dollars (\$1,000,000.00)

Premium costs will be as follows: one hundred (100%) percent paid by Company.

9.07 Company to pay coverage for prescription eyewear of two hundred seventy-five dollars (\$275) per family member every two (2) years.

9.08 Long Term Disability Plan

The Company will administer an employee funded Long Term Disability benefit. This benefit will be mandatory for all employees covered by the collective agreement. If any increase in employee funding of the plan is proposed, employees will have an opportunity to participate in a vote to decide if the increase is accepted. In the event a majority of employees do not accept the proposed increase, the plan will be discontinued.

ARTICLE 10 — WAGE ADMINISTRATION

- 10.01 (a) Employees shall be paid not less than the wage rate specified for their classification in Appendix "B", which is attached hereto and made part of this Agreement.
- (b) Wage rates payable for the top job rate of the classifications listed in Appendix "B" shall be increased effective April 1, 2005 by 2.50%, April 1, 2006 by 2.25% and April 1, 2007 by 2.75%. All other job rates in each classification will stay the same. For employees not in the top job rate a one time cash payment will be made of 2.50% of annual salary at the employee's present rate to be paid in the pay period immediately following ratification of this agreement.
- 10.02 Any classification not covered by Appendix "A", new classifications which may be established during the life of this Agreement, or reclassification of existing jobs, shall be subject to negotiation and agreement between the Company and the Union with respect to classification and job level for the job in question.
- If any employee is being paid outside of their job classification and wage scale covered by Appendix "A," this shall be brought immediately to the attention of the Office Steward. The letter shall include:
- The job level for which the employee was hired or is currently listed as being at, per Appendix "A" of this Agreement.
 - The pay scale the employee is or shall be receiving, but not the actual dollar amount.
 - Justification for the increase.
 - Signed and dated by Department Supervisor or Manager and Union Office Steward.
- In the event that the Parties fail to agree, such matters may be referred to the grievance and arbitration procedures as defined in this Agreement.
- 10.03 Promotion Increase
- When an employee is promoted to a higher classification, they will be placed on a Step in the salary range for the higher classification and that Step must provide fifty cents (.50¢) or more cents per hour wage increase
- 10.04 Substitution Pay
- An employee assigned to a higher job classification, or temporarily replacing another employee in such higher classifications, shall be paid at the start rate in the higher job classification, or as determined by 10.03, whichever is greater for the period so employed.
- This provision shall apply as follows:
- Assigned substitution for three (3) working days or more:from start of substitution in higher classification.
- Assigned substitution that eventually extends beyond three (3) working days:from start of substitution in a higher classification.
- This provision shall not apply where assigned substitution is for less than three (3) working days.
- 10.05 Salary Progression

Employees shall advance up the wage rate range for their job in accordance with the required service in the job. Wage rate advances shall be automatic except that such increases may be withheld for inadequate performance providing that two (2) weeks' notice of intent to withhold is given, in writing, by the Supervisor concerned, to the employee affected, the Office Steward, the Union Office and Personnel Department. However, if an employee is placed on a length of service step higher than the minimum required by his/her service, i.e. on being hired or by promotion, he/she shall receive increases thereafter as though he/she had the required service, e.g. an employee placed on the twelve (12) month step, shall not be required to wait twenty-four (24) months before proceeding to the twenty-four (24) month step, but shall be paid the twenty-four (24) month rate after twelve (12) months service, at the twelve (12) month step.

- 10.06 It is agreed that employees may be required to perform work normally performed by employees under different classifications, provided the classification are in the same job level or lower and provided the employee's overall work performance is assessed in accordance with his/her regular classification.
- 10.07 Employees will be paid bi-weekly with their wages computed from an hourly rate.

ARTICLE 11 — HIRING, PROMOTION, LAYOFF and RECALL

11.01 Job Vacancies

- (a) It is the intention of the Company to fill job vacancies from within the bargaining unit (including the recall list) before hiring new employees.
- (b) Such job vacancies shall be posted within three (3) days of the known vacancy and the vacant position(s) shall be filled within fifteen (15) days, if the employees who have the necessary qualifications and ability apply for the position(s).
If the Company has to fill the job vacancy from outside the bargaining unit, the vacant position(s) shall be filled within thirty (30) days.
- (c) Employees on the recall list shall be notified either by telephone or registered mail of all job vacancies, and such employees, who apply for any vacancy, shall receive consideration as if they were still actively employed by the Company. If telephone contact cannot be made, a registered letter will be sent.
- (d) If the job vacancy is not filled within the appropriate time of the original posting, the Company at that time shall re-post the vacancy.
- (e) Notice of job vacancies will be posted on the office bulletin board for three (3) working days so that employees in the bargaining unit may have the opportunity of applying within that time.
Job postings will designate the job title, job level and the job description, including necessary qualifications and ability.

11.02 Promotions

Promotion is hereby defined as a move from a lower job level to a higher job level. Promotions shall be made on the basis of necessary qualifications and ability as determined by the Company. In cases of equal qualifications and ability, the employee with greatest seniority will be given preference. The Company shall advise the Chief Office Steward and all unsuccessful applicants before a job vacancy is awarded.

11.03 An employee promoted to a higher rated classification shall be on trial for the first thirty (30) days. If, during this trial period, the employee is reasonably considered to be unsuitable or elects to decline the new job, the employee will be returned to his/her former job or one of equal rank. Trial periods may be extended by agreement between the Company and the Union. Trial periods shall not be considered to be probationary periods and an employee on such trial will retain all rights under the Agreement.

11.04 Notice of Layoff or Termination

- (a) All employees shall be given notice of either lay-off or termination or salary in lieu of notice as per the Employment Standards Act of B.C., however for employees with more than 8 years of service, the company will provide notice or salary in lieu of notice of one week per year of service up to a maximum of 18 weeks. During this time period the employee's "bumping rights" which are recognized and agreed by the Parties, shall be exercised in conformity with the provisions of Article 11.04(b).
- (b) The principle of seniority shall be maintained in the reduction and restoration of the working force, provided that the senior employee has the ability and is qualified to perform the duties of a position available in the office.

If a reduction of office staff is necessary, the following procedure shall be adopted:

the employee with the least amount of seniority in any job title will be the first laid-off from that job, but they may displace an employee in the same or lower job level with the least seniority in such job level, providing they have the ability and qualifications to perform the duties and have greater seniority.

Employees who are displaced from their jobs as a result of such bump-back procedure, may themselves move back and displace employees having less seniority in the same or lower job level, providing such employees have the ability, seniority and are qualified to perform the job.

11.05 Recall Period

Any regular employee who is laid-off due to lack of work or redundancy shall be placed on the recall list as follows:

Up to twelve (12) months service:	– 6 months
Twelve (12) months to forty-eight (48) months:	– 12 months
Over forty-eight (48) months:	– 24 months

11.06 Employees on the recall list shall have the right to return to a vacancy in their former job classification. Recalls will be made in the inverse order to the lay-offs, provided that the employees so recalled have the qualifications and abilities to meet the normal requirements of the work.

11.07 Recall

Notice of recall to an employee, who has been laid-off, shall be made by registered mail to the last known address of the employee. The employee must respond to such notice within three (3) days of receiving it, notifying the Company that he/she intends to return to work; or if within five (5) working days of the same date an employee shall have failed to return to work or to have satisfied the Company that he/she is unable to return

because of accident, illness or other sufficient cause, he/she shall lose all seniority and his/her name shall be removed from the seniority list.

- 11.08 No employee with seniority shall be separated from employment by lay-off without being given opportunity to claim any job in which he/she has the qualifications and ability held by a probationary employee in any classification in a job level not higher than the job level of his/her own classification. If he/she is competent to do the work he/she shall be retained in place of the said probationary employee.
- 11.09 Employees recalled to their former position or a position in the same job level shall receive the current rate for the step in the salary range which they held at the time of lay-off.
- 11.10 Employees recalled to a job in a job level which is lower than for their former job shall be paid the current rate for the step in the wage range for the job to which they are recalled. The foregoing wage policy shall also apply in the case of demotions due to lay-offs and other circumstances.

ARTICLE 12 — SENIORITY

- 12.01 Seniority shall mean length of continuous service with the Company, its predecessors, divisions, subsidiaries and parent Company.
- 12.02 Except as otherwise provided in this Agreement, an employee who leaves the bargaining unit and subsequently returns will be considered as a new employee from the date of rejoining the bargaining unit, except for those employees returning from service with divisions, subsidiaries and parent Company.
- 12.03 An employee laid-off and placed on the recall list under Article 11 will retain seniority during the period of layoff.
- 12.04 Seniority Not to Accrue
No seniority shall accrue during leave of absence or absence due to illness or non-occupational injury exceeding six (6) months.
- 12.05 An employee on leave of absence on Union business under Article 3 will continue to accrue seniority.
- 12.06 Seniority lists will be made available by the Company at such times as may be required for the administration of this Agreement and not more than four (4) times per year.
- 12.07 An employee shall lose all seniority three (3) months after having been promoted to a position within the Company but outside the bargaining unit.

ARTICLE 13 — GENERAL

- 13.01 Employees in the bargaining unit shall not be asked or permitted to make any written or verbal contract which may conflict with this Agreement.
- 13.02 Jury Duty
An employee summoned to Jury Duty or subpoenaed as a witness shall be paid wages amounting to the difference between the amount paid them and the amount they would

13.03 Bulletin Boards

Will be made available to the Union for the purpose of posting notices restricted to subject matter of recreational and social activities of the Union, notice of meetings and agendas, and notices of Union elections. All notices shall be submitted to the Company before being posted. Approval shall not be withheld unreasonably.

13.04 Where time periods are specified in days, weeks, months or years and the context does not otherwise provide, the Agreement shall be taken to mean "the calendar period."

13.05 Picket Lines

It shall not be a violation of this Agreement or cause for discharge of any employee, in the performance of his/her duties, to refuse to cross a legal picket line recognized by the Union. The Union shall notify the Employer as soon as possible of the existence of such recognized picket lines. The Union agrees that during the terms of this Agreement there will be no strikes or other collective action which will stop or interfere with plant or office operations.

13.06 Each Union member shall have access to their personnel file. To obtain access to the personnel file a request must be given to the Personnel Relations Administrator, for viewing the file.

13.07 It is not the intention of the Company to sub-contract out work that will result in lay-offs in the bargaining unit.

13.08 Clothing Allowance

To apply only to the positions of test technician (junior and senior) and scheduler/expediter and those people filling these positions in the absence of the incumbent. To be seventy-five dollars (\$75.00) per year paid on October 1st, each year.

ARTICLE 14 — DISCHARGE and TERMINATION

14.01 It is hereby agreed that the Company has the right to discharge, for proper cause, any employee without notice.

14.02 If a regular employee is terminated, except as provided in 14.01 above, said employee shall receive two (2) weeks notice, or the equivalent in wages. If notice is given immediately prior to the vacation period of any employee, such employee shall receive two (2) weeks wages in lieu of notice at the employee's current salary, in addition to vacation pay to which the employee is entitled.

14.03 The Union shall be notified, with employee present, of any dismissal and on request from the Union the Company shall furnish the reasons for same.

ARTICLE 15 — TECHNOLOGICAL CHANGES and SEVERANCE PAY

15.01 Notice re Procedural Change

The Company will provide the Union with as much notice as possible of any intention to introduce technological changes such as automation which might result in the displacement or reduction of personnel or changes in job classification.

15.02 Wherever practical, employees becoming redundant due to new equipment shall be eligible for retraining to equip them for the operation of such new equipment. Such

retraining will be provided by the Company without cost and without loss of pay to the affected employee.

- 15.03 In cases where the retraining of employees is not practical, the employee shall elect for termination of employment or shall elect to be placed on the recall list. An employee on recall under this Section shall receive all the benefits he/she had accrued during employment at the end of the recall period, or at such earlier time as he/she may elect to terminate.
- 15.04 Severance pay, as provided for in 15.05 following, shall be due and payable to a displaced employee under Article 15 immediately upon termination.
- 15.05 Severance pay shall be paid to employees who are terminated because of technological, administrative, or equipment changes. The amount of severance pay shall be one (1) week at the employee's current regular salary for each year of service to a maximum of twenty-five (25) weeks.

ARTICLE 16 — GRIEVANCE PROCEDURE

- 16.01 "Grievance" means the difference or dispute concerning the interpretation, application, administration or alleged violation of the collective Agreement, whether between the Company, any employee or employees bound by this collective Agreement, or between the Company and the Union.
- 16.02 Grievances or complaints shall be settled in the following manner:
- (a) If the employee has a complaint against the Company it should be referred to as a Grievance and the procedure for settlement shall commence with Step 1.
 - (b) If the Company or the Union has a complaint it should be referred to as a dispute and the procedure for settlement shall commence with Step 3.

STEP 1:

The employee involved shall first take up grievance with the Supervisor directly in charge of the work, within five (5) working days of the circumstances first giving rise to the grievance. The employee may be accompanied by the Office Steward.

STEP 2:

If the grievance is not satisfactorily settled in Step 1 the employee and Office Steward shall submit the grievance, "in writing", to the Office Manager or the Personnel Manager, as designated by the Company, within the next five (5) working days of Step 1.

STEP 3:

If a satisfactory settlement is not reached in Step 2 the grievance shall be referred, within the next five (5) working days, to the Representative of the Union and the Representative of the Company, in writing. Failing settlement within a further ten (10) working days of receipt of this notice, the dispute shall be referred to arbitration as set forth herein.

- 16.03 The time limits before expiry set forth in this Article may be extended by mutual agreement between the Union and the Company. If the foregoing time limits are exceeded without this extension, the Grievance will be considered abandoned.

ARTICLE 17 — ARBITRATOR

- 17.01 Where any difference arises between the Parties as to the interpretation, application, operation or alleged violation of this Agreement, including any question as to whether the matter is arbitrable or not, the matter may be referred by either Party to a single Arbitrator as a means of settling disputes.
- 17.02 The Party desiring Arbitration under this Article will notify the other Party, in writing, of the particulars of the grievance in dispute.
- 17.03 The Parties to the dispute will thereupon meet within ten (10) working days to decide upon an Arbitrator. Failing agreement upon a person willing to act, or in the event one (1) of the Parties declines the procedure, within five (5) days of such meeting, either Party may apply to the Minister of Labour for British Columbia to appoint an Arbitrator. Hearings shall commence within five (5) days of the appointment of the Arbitrator.
- 17.04 The Arbitrator shall hear the Parties, settle the terms of questions to be arbitrated and make an award within fifteen (15) days of the completion of the hearing, except where the time is extended by agreement of the Parties. The Arbitrator shall deliver the award, in writing, to each of the Parties and the award shall be final and binding on the Parties and shall be carried out forthwith.
- 17.05 The Arbitrator shall not be vested with the power to change, modify or alter any of the terms of this Agreement.
- 17.06 Each Party shall pay their own costs and expenses of the Arbitration and one-half (½) the remuneration and disbursements or expenses of the Arbitrator.

ARTICLE 18 — SECTION 112 of the BC LABOUR CODE

- 18.01 Where any difference arises between the Parties relating to the dismissal, discipline or suspension of an employee, or to the interpretation, application, operation or alleged violation of this Agreement, including any question as to whether the matter is arbitrable during the term of the collective Agreement a person agreed to by the Parties, shall at the request of either Party:
- (a) investigate the difference:
 - (b) define the issue in the difference: and
 - (c) make written recommendations to resolve the difference within five (5) days of the date of receipt of the request; and, for those five (5) days from that date, time does not run in respect of the grievance procedure.
- 18.02 The Parties agree to be bound by the recommendations of the person appointed under Article 18.01.
- 18.03 The Parties agree that appeals of awards under this Article may be lodged under Section 1.08 of the Labour Code.

ARTICLE 19 — DURATION

- 19.01 This Agreement shall be in full force and effect from and including **April 1st, 2005**, to and including **March 31st, 2008**, and shall automatically be renewed from year to year

thereafter unless either Party serves notice, in writing, of intention to amend the Agreement, upon the other Party, hereto at least sixty (60) days prior to the 31st day of **March, 2008** or sixty (60) days prior to the 31st day of March in any year subsequent thereto.

19.02 The parties acknowledge and agree to be bound by section 57 of the Labour Relations Code which provides that neither an employee nor an employer bound by a Collective Agreement shall, during the term of the Collective Agreement, strike or lock-out.

19.03 It is mutually agreed by the Parties to exclude from this Agreement the operation of Section 50(2) and 50(3) of the Labour Relations Code of British Columbia.

Signed at	, BC	this	day of	, 2005
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SIGNED ON BEHALF OF THE EMPLOYER
Party of the First Part

SIGNED ON BEHALF OF THE UNION
Party of the Second Part

<i>RVS Mani – Managing Director</i>	<i>David Durning —National Representative</i>
<i>Shelley Simmonds – Manager Human Resources</i>	<i>Ion Marinescu — CEP Local 433 Steward</i>
	<i>Abdul Dhalla – CEP Local 433 Steward</i>

APPENDIX "A"
JOB TITLES and JOB LEVELS

JOB LEVEL #1

File Clerk

JOB LEVEL #2

Clerk-Typist
Clerk-Timekeeping

JOB LEVEL #3

Clerk-Typist, Senior
Switchboard Operator,
Receptionist
Manufacturing Clerk
Material Clerk
Order Process Clerk
Quality Assurance Clerk
Engineering Clerk
Clerk, Accounting

JOB LEVEL #4

Clerk Billings & Collections
Stenographer

JOB LEVEL #5

Secretary Stenographer
Manufacturing Control
Clerk
Material Control Clerk
Drafter – Trainee
Engineering Control Clerk
Accounting Control Clerk
Quality Assurance Control
Clerk

JOB LEVEL #6

Drafter – Junior
Technical Assistant
Engineering Technical
Assistant

JOB LEVEL #7

Expediter
Buyer
Drafter, Detailer
Cost Accountant

JOB LEVEL #8

Designer (Junior)
PDM Technician
(Parts Data Management)
Scheduler
Time Study Technician
Drafter, Layout
Test Technician
Quality Control
Technician

JOB LEVEL #9

Buyer, Senior
Inventory Control
Co-ordinator
Methods and Process
Technician
Drafter, Layout, Senior
Engineering Technician

JOB LEVEL #10

Production Planner
Time Study Technician,
Senior
Design Drafter
Test Technician, Senior I
Engineering Checker
Quality Control
Technician, Senior
Manufacturing Technician
CSS Co-ordinator

JOB LEVEL #11

Methods and Process
Technician, Senior
Engineering Technician,
Senior
Designer I
Test Technician Senior II
Purchasing Agent

JOB LEVEL #12

Engineering Specialist
Designer II

APPENDIX "B"

HOURLY, BI-WEEKLY and MONTHLY WAGE RATES

APRIL 1, 2005

*MONTHS STEPS	START RATE	JOB RATE	12 MOS.	24 MOS.	36 MOS.
JOB LEVEL – Start Rate Less than Job Rate for 2 months					
1	12.72	13.38	14.20		
2	13.66	14.39	15.22		
3	14.72	15.49	16.44		
4	15.82	16.71	17.63		
JOB LEVEL – Start Rate Less than Job Rate for 5 months					
5	17.06	17.99	18.57	19.61	
6	18.36	19.38	20.01	21.17	
7	19.86	21.03	21.66	22.90	
8	21.40	22.72	23.44	24.67	
JOB LEVEL – Start Rate Less than Job Rate for 6 Months					
9	23.16	24.62	25.24	25.91	27.34
10	24.99	26.55	27.21	27.90	29.30
11	26.94	28.60	29.28	29.94	31.41
12	29.01	30.80	31.46	32.13	33.66

* Months — Time after reaching Job Rate except as provided in Article 10.05.

STUDENT JOB LEVEL – 85% OF Start Rate for duration of working period in the classification.

APPENDIX "B"

HOURLY, BI-WEEKLY and MONTHLY WAGE RATES

APRIL 1, 2006

*MONTHS STEPS	START RATE	JOB RATE	12 MOS.	24 MOS.	36 MOS.
JOB LEVEL – Start Rate Less than Job Rate for 2 months					
1	12.72	13.38	14.52		
2	13.66	14.39	15.56		
3	14.72	15.49	16.81		
4	15.82	16.71	18.03		
JOB LEVEL – Start Rate Less than Job Rate for 5 months					
5	17.06	17.99	18.57	20.05	
6	18.36	19.38	20.01	21.65	
7	19.86	21.03	21.66	23.42	
8	21.40	22.72	23.44	25.23	
JOB LEVEL – Start Rate Less than Job Rate for 6 Months					
9	23.16	24.62	25.24	25.91	27.96
10	24.99	26.55	27.21	27.90	29.96
11	26.94	28.60	29.28	29.94	32.12
12	29.01	30.80	31.46	32.13	34.42

* Months — Time after reaching Job Rate except as provided in Article 10.05.

STUDENT JOB LEVEL – 85% OF Start Rate for duration of working period in the classification.

APPENDIX "B"

HOURLY, BI-WEEKLY and MONTHLY WAGE RATES

APRIL 1, 2007

*MONTHS STEPS	START RATE	JOB RATE	12 MOS.	24 MOS.	36 MOS.
JOB LEVEL – Start Rate Less than Job Rate for 2 months					
1	12.72	13.38	14.92		
2	13.66	14.39	15.99		
3	14.72	15.49	17.27		
4	15.82	16.71	18.53		
JOB LEVEL – Start Rate Less than Job Rate for 5 months					
5	17.06	17.99	18.57	20.60	
6	18.36	19.38	20.01	22.25	
7	19.86	21.03	21.66	24.06	
8	21.40	22.72	23.44	25.92	
JOB LEVEL – Start Rate Less than Job Rate for 6 Months					
9	23.16	24.62	25.24	25.91	28.73
10	24.99	26.55	27.21	27.90	30.78
11	26.94	28.60	29.28	29.94	33.00
12	29.01	30.80	31.46	32.13	35.37

* Months — Time after reaching Job Rate except as provided in Article 10.05.

STUDENT JOB LEVEL – 85% OF Start Rate for duration of working period in the classification.

LETTER OF AGREEMENT #1

The Letter of Agreement between the C.E.P. Local 433 and Sulzer Pumps (Canada) Inc., is in regard to the points that were submitted and discussed on September 20th, 1977 and February 23rd, 1982 concerning Day, Second (Afternoon), Third (Graveyard) shifts for the Test Technicians, while on Endurance Testing. (Endurance testing, for this purpose, has to be specified as Endurance testing (no less than 100 hours) prior to the testing taking place.)

DAY SHIFT

The standard work day shall consist of eight (8) hours; and working through the meal break for an additional one-half (½) hour at the rate of two hundred (200%) percent of the employee's regular hourly rate of pay.

AFTERNOON SHIFT

The second (Afternoon) shift shall consist of eight (8) hours; and working through the meal break, for an additional one-half (½) hour at the rate of two hundred (200%) percent of the employee's regular hourly rate of pay.

GRAVEYARD SHIFT

The third (Graveyard) shift shall consist of seven and one-half (7½) hours, and an additional one-half (½) hour at the rate of two hundred (200%) percent; and working through the meal break, for an additional one-half (½) hour at the rate of two hundred (200%) percent of the employee's regular hourly rate of pay.

The above Letter of Agreement is Effective as of September 26th, 1977 (as amended April 8th, 1982).

SIGNED ON BEHALF OF THE EMPLOYER
Party of the First Part

SIGNED ON BEHALF OF THE UNION
Party of the Second Part

<i>RVS Mani – Managing Director</i>	<i>David Durning —National Representative</i>
<i>Shelley Simmonds – Manager Human Resources</i>	<i>Ion Marinescu — CEP Local 433 Steward</i>
	<i>Abdul Dhalla – CEP Local 433 Steward</i>

LETTER OF UNDERSTANDING #2

BETWEEN: Sulzer Pumps (Canada) Inc.

AND: Communications, Energy and Paperworkers Union of Canada, Local 433

SUBJECT: Vacation Changeover

The following Letter of Understanding is attached to and shall form part of the Collective Agreement. This Letter shall continue in full force and effect from year to year until terminated by agreement of the Parties.

The Parties Agree As Follows:

This Letter of Understanding between C.E.P Local 433 and Sulzer Pumps (Canada) Inc., concerns the transition from a common anniversary date to a "date of hire" anniversary date for vacation entitlement, and explains the basis for which adjustments to final vacation pay may be necessary upon termination of employment.

1. The effective date of change to a "date of hire" anniversary system for vacation entitlement is January 1st, 1982.
2. Prior to this change, a common anniversary date system was employed for determination of vacation pay and entitlement, i.e. vacation year was July 1 to June 30.

Therefore, vacation payable at January 1st, 1982 would accrue from the period July 1st, 1981 to January 1st, 1982, or, from the date of hire to January 1st, 1982 for employees hired after July 1st, 1981.

3. Due to certain inequities which would occur in following a strict conversion from one (1) vacation system to another, it has been agreed that all employees with anniversary dates prior to July 1st, 1981 will receive normal vacation pay and entitlement unadjusted to their respective dates of hire. Any such adjustment, if required, will be accomplished only in the case of termination of employment.
4. Vacation will be payable at the time vacation is taken and in accordance with the provisions of Article 8 of the Agreement.

SIGNED ON BEHALF OF THE EMPLOYER

SIGNED ON BEHALF OF THE UNION

Party of the First Part

Party of the Second Part

<i>RVS Mani – Managing Director</i>	<i>David Durning — National Representative</i>
<i>Shelley Simmonds – Manager Human Resources</i>	<i>Ion Marinescu — CEP Local 433 Steward</i>
	<i>Abdul Dhalla – CEP Local 433 Steward</i>

LETTER OF UNDERSTANDING #3

BETWEEN: Sulzer Pumps (Canada) Inc.

AND: Communications, Energy and Paperworkers Union, Local 433

JOB DESCRIPTIONS

The Parties agree to form a Joint Union/Management Committee which will:

1. Establish agreement on definitions for "job level", "job classification" and "job title".
2. Revise Article 11 to provide consistency re "necessary qualifications and ability".
3. (a) Job descriptions shall be reviewed and updated so that same will more closely detail the duties and responsibilities assigned.
- (b) Redundant titles and descriptions shall be deleted and thereafter all job descriptions shall be appended to the collective Agreement.
- (c) If, at any time, job duties and/or responsibilities are/were reassigned so that an employee is to be re-classified downwards, the incumbent employee shall neither suffer a reduction in earnings nor be denied future general negotiated wage increases.

The Parties agree to include in this review the excluded positions currently under discussion. If no agreement can be reached on these positions the matter shall be referred to the Labour Relations Board under Section 34.1 for a determination.

The Joint Committee shall commence the review within ninety (90) days of ratification and shall complete the project within six (6) months of commencement if possible.

SIGNED ON BEHALF OF THE EMPLOYER
Party of the First Part

SIGNED ON BEHALF OF THE UNION
Party of the Second Part

<i>RVS Mani – Managing Director</i>	<i>David Durning —National Representative</i>
<i>Shelley Simmonds – Manager Human Resources</i>	<i>Ion Marinescu — CEP Local 433 Steward</i>
	<i>Abdul Dhalla – CEP Local 433 Steward</i>

April 1, 2005

LETTER OF UNDERSTANDING #4

BETWEEN: Sulzer Pumps (Canada) Inc.

AND: Communications, Energy and Paperworkers Union, Local 433

VACATION SCHEDULING

The Company agrees to establish a vacation scheduling system as follows:

SIGN UP

Vacation sign up shall be by seniority. A sign up sheet shall be circulated during the first part of the year.

CORE PERIOD

To ensure a fair allocation of vacation time during the summer months, a core period will be established between May 1st and September 30th.

During this core period, vacations may only be taken in intervals of two (2) weeks or less. Outside the core period, when vacation entitlement permits, annual vacation may be scheduled in intervals greater than two (2) weeks.

COMPANY REQUIREMENTS

Adequate staffing must be maintained during summer core period and the two (2) week period at the end of December.

Consecutive time off for employees working in the same department cannot be guaranteed.

Some departments may have to close during a specified time of the year to reflect outside agency or supplier closures.

Vacation may be scheduled outside the above guidelines by mutual agreement.

SIGNED ON BEHALF OF THE EMPLOYER

SIGNED ON BEHALF OF THE UNION

Party of the First Part

Party of the Second Part

<i>RVS Mani – Managing Director</i>	<i>David Durning —National Representative</i>
<i>Shelley Simmonds – Manager Human Resources</i>	<i>Ion Marinescu — CEP Local 433 Steward</i>
	<i>Abdul Dhalla – CEP Local 433 Steward</i>

LETTER OF UNDERSTANDING #5

BETWEEN: Sulzer Pumps (Canada) Inc.

AND: Communications, Energy and Paperworkers Union of Canada, Local 433

PENSION PLAN

The Employer agrees to establish a Pension Plan for all CEP employees. This Plan shall have the following general structure:

1. Type of Plan

A Money Purchase Plan offered through a Carrier of the Company's choice.

2. Contribution Rate

Calculation and payment to the Pension Plan are based on total hours earned.

	EMPLOYER CONTRIBUTIONS	EMPLOYEE CONTRIBUTIONS
April 1, 2005	6.5%	6.0%

Existing Members — Sun Life Plan

Transfer existing contributions to new plan for CEP members.

3. Participation

Participation in new plan by existing employees is to be voluntary, but participation in the plan for new employees is mandatory after one (1) year of employment. Current employees under the age of twenty-five (25) who are now eligible to participate in the plan will join it on August 1st, 1990.

4. Vesting

Employees shall become fully vested after completing two (2) years of Plan membership. Partial vesting for the Employer's contribution shall be in accordance with the following schedule:

<u>Years of Plan Membership</u>	<u>Vesting Percentage</u>
1	50%
2	100%

Withdrawal/Transfer of Contributions on Termination:

Contributions made to the Plan prior to January 1, 1993, may be withdrawn or transferred as follows:

- Transferred to another Employer Plan

- Transferred to a regular R.R.S.P.

Contributions made to the Plan after January 1, 1993, may only be transferred to a "Locked-in R.R.S.P." or to another Employer Plan.

For a period of two (2) years from the establishment of a Pension Plan, employees on staff as of April 1st, 1984 or recalled from lay-off during their recall period at a later date shall receive credit for past Company service towards this vesting, when they join the Plan.

5. Administrative costs shall be shared equally between the employees and the Company.
6. Pension Committee with equal representation to be established to review plan investments annually.

SIGNED ON BEHALF OF THE EMPLOYER
Party of the First Part

SIGNED ON BEHALF OF THE UNION
Party of the Second Part

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<i>Shelley Simmonds – Manager Human Resources</i>	<i>Ion Marinescu — CEP Local 433 Steward</i>
	<i>Abdul Dhalla – CEP Local 433 Steward</i>

LETTER OF UNDERSTANDING #6

BETWEEN: Sulzer Pumps (Canada) Inc.

AND: Communications, Energy and Paperworkers Union of Canada, Local 433

BANKING OF OVERTIME

Objective: The banking of overtime hours has several advantages to both the employee and the Company. The foremost of which is to give more flexibility to both parties. Presumably, employees will find overtime more acceptable if they can take time off at a later date. Thus, the Company will be able to schedule workloads during peak periods more effectively and be able to give the employee periods of time off during slower periods.

Employees shall have the opportunity to bank overtime hours worked. For each hour of overtime worked the employee would have banked two (2) hours to be taken as paid time off. The total number of hours held in the bank at any given time will be forty (40) hours. No more than sixty (60) banked overtime hours are allowed to be used in any calendar year. Any unused banked hours will be paid out at the end of the year.

Banked overtime pay may be withdrawn by an employee in whole or in part. In the event an employee also wishes equivalent time off, such time will be by mutual agreement and subject to the operating needs and service requirements of the business. Banked hours cannot be taken in prime vacation periods or added to regular holidays and statutory holidays. The one exception to this is during slack time. Banked Overtime will not be unreasonably denied.

SIGNED ON BEHALF OF THE EMPLOYER

Party of the First Part

SIGNED ON BEHALF OF THE UNION

Party of the Second Part

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<i>Shelley Simmonds – Manager Human Resources</i>	<i>Ion Marinescu — CEP Local 433 Steward</i>
	<i>Abdul Dhalla – CEP Local 433 Steward</i>

LETTER OF UNDERSTANDING #7

BETWEEN: Sulzer Pumps (Canada) Inc.

AND: Communications, Energy and Paperworkers Union, Local 433

BUSINESS TRAVEL OUTSIDE THE LOWER MAINLAND

Travel time refers to elapsed travel time.

Travel time initiated during regular shift hours:

Travel time authorized by the Company or the customer and initiated during regular shift hours will be paid at straight time except for those hours traveled beyond the regular shift hours, which will be paid for at time and one-half. The exception to this provision would be where reasonable sleeping accommodation is provided. In this instance, time would cease at 9:00 p.m. and commence at 8:00 a.m. the next day.

Travel time initiated outside of regular shift hours:

Travel time authorized by the Company or the customer and initiated outside the employee's regular shift hours, Monday to Friday inclusive, Saturday, Sunday and any Holiday, will be paid for at time and one-half up to a maximum of eight (8) hours in any twenty-four hour period. The exception to this provision would be where reasonable sleeping accommodation is provided. In this instance, time would cease at 9:00 p.m. and commence at 8:00 a.m. the next day.

Travel time for educational purposes:

Business travel does not include travel time for educational purposes and will be paid for at straight time. Travel for educational purposes will be supported by the signed approval of the Training and Educational Record, form 2032-6. The exception to this provision would be where reasonable sleeping accommodation is provided. In this instance, time would cease at 9:00 p.m. and commence at 8:00 a.m. the next day.

Fares, accommodation and meals (as set out in the Company Travel Policy) shall be provided for the employee at no cost to the employee.

Compensation for personal vehicle use will be per the Company Travel Policy.

SIGNED ON BEHALF OF THE EMPLOYER

SIGNED ON BEHALF OF THE UNION

Party of the First Part

Party of the Second Part

<i>RVS Mani – Managing Director</i>	<i>David Durning —National Representative</i>
<i>Shelley Simmonds – Manager Human Resources</i>	<i>Ion Marinescu — CEP Local 433 Steward</i>
	<i>Abdul Dhalla – CEP Local 433 Steward</i>