Collective Agreement

Between

WILLIAMS MACHINERY LTD.

And:

INTERNATIONAL UNION OF OPERATING ENGINEERS,
LOCAL 115

May 1, 2004 to April 30, 2008
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COLLECTIVE AGREEMENT

BY AND BETWEEN:

WILLIAMS MACHINERY LTD.
(hereinafter referred to as the “Company”)

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS,
LOCAL 115
(hereinafter referred to as the “Union”)

WITNESSETH: that the Parties hereto agree as follows:

ARTICLE 1 - OBJECTS

1.01 (a) The objects of this Agreement are to maintain a harmonious relationship between the Company and its employees; to provide an amicable and equitable method of settling grievances or differences which might possibly arise; to maintain mutually satisfactory working conditions, hours and wages for all employees who are subject to the provisions of this agreement.

(b) For the purposes of this Agreement, the masculine shall be considered to include the feminine and the singular to include the plural.

ARTICLE 2 - BARGAINING AGENCY

2.01 The Company recognizes and agrees that the Union is the sole bargaining agent for the employees of the Company employed at the place(s) set out in the certificate(s) of bargaining authority and at any other premises opened or taken over by the Company in British Columbia.

2.02 This Agreement shall be binding on the Company and the Union and their respective successors, administrators, executors and assigns and on each employee.

2.03 SUPERVISORS, OFFICE PERSONNEL DO NOT WORK No supervisors or office personnel will be allowed to use hand tools or carry out work which would be normally done by employees in the bargaining unit, except in the instruction or training of employees.

ARTICLE 3 - UNION SECURITY

3.01 UNION SECURITY Each employee covered by this Agreement shall, as a condition of employment and/or continued employment, be and remain or become and remain, a Union member in good standing for the duration of this Agreement or for the duration of his employment with the Company, whichever is shorter. Counting from the date he commences
employment with the Company, each new employee will be allowed thirty (30) calendar
days within which to make application to join the Union and tender the appropriate initiation
fees. The Union shall have the exclusive right to determine who is a member in good
standing. Should an employee at any time cease to be a member in good standing of the
Union, the Company shall, upon notification in writing from the Union, discharge such
employee forthwith.

3.02 **CHECK-OFF** The Company shall deduct from each new employee an amount equal to the
Union dues from the employee’s first payroll cheque after completion of six (6) days of work
in a calendar month and add that employee’s name and the said amount to the closest
applicable check-off; i.e., if the check-off for that month has not been remitted to the Union,
it shall be added to that check-off; if that month’s check-off has been remitted, it shall be
added to the following month’s check-off and shown as the previous month worked.

3.03 **AMOUNTS DEDUCTED** Union dues deducted under this provision or other check-off
provisions shall be remitted to the Union not later than the fifteenth of the month following
the month in which such check-off applies.

**ARTICLE 4 - MANAGEMENT RIGHTS:**

The Union recognizes and agrees that:

4.01 The management and operation of the plant and the direction of the working forces are
vested exclusively in the Company.

4.02 The Company has and shall retain the right to select its employees, to hire, classify, promote,
demote or discipline them and discharge employees for proper cause, provided that a claim
of discrimination against an employee in respect to any of these matters, or a claim of
violation, of any Section or Article of this Agreement, may be the subject of a grievance and
be dealt with as hereinafter provided.

4.03 The right to hire employees of its choice is vested exclusively in the Company, but when the
Company requires new employees, it shall so notify the Union so that the Union shall have
the opportunity to provide the Company with suitable applicants.

**ARTICLE 5 - DEFINITION OF EMPLOYEE**

5.01 In this Agreement “employee” means a person who is employed by the Company and who is
included in a unit of the Company’s employees for whom the Union has been certified as the
collective bargaining agent by the Labour Relations Code of B.C. “Employee” shall also
mean a person employed in a job classification listed in Appendix “A” attached hereto, and
working at or from any premises opened or taken over by the Company in British Columbia.
ARTICLE 6 - HOURS OF WORK AND OVERTIME

6.01 **DAY SHIFT**  The standard work day shall consist of eight (8) hours. The *day shift shall commence between 7:00 A.M. and 8:30 A.M.* The standard work week shall consist of forty (40) hours, Monday to Friday.

Hours of work may be changed by mutual agreement between the Company and the Union.

6.02 **AFTERNOON SHIFT**  If a second shift is employed, the hours of work shall be seven and one-half (7 1/2) hours of work *commencing between the hours of 3:30 P.M. and 5:00 P.M.* for which eight (8) hours will be paid and a shift premium of thirty-five cents ($0.35) shall be added on to the classified hourly rate.

6.03 **NIGHT SHIFT**  If a third shift is employed, the hours of work shall be seven (7) hours of work *commencing between 11:30 P.M. Sunday and 1:00 P.M. Monday*, for which eight (8) hours shall be paid and a shift premium of fifty cents ($0.50) shall be added on to the classified hourly rate.

6.04 **LUNCH PERIOD**  Each shift shall have a half hour unpaid lunch period at mid-shift, *or other time determined by the Company and the Union.*

6.05 **SHIFT CHANGE**  The Company shall give the employee forty-eight (48) hours’ notice prior to changing of shifts.

6.06 **SHIFT - TRANSFER OF EMPLOYEE**  When it is necessary for an employee to be transferred from one shift to another shift, said shifts will continue for a minimum of three (3) consecutive normal working days, or the overtime rates as provided for in this Agreement will apply.

6.07 **SHIFT - START AND STOP TIMES**  If an employee is working on the second or third shift and is unable to start the shift on time and/or to complete the shift, then the hourly rate for such an employee shall be computed by dividing the employee’s total pay for a regular full shift by the applicable total number of hours he would be required to work to qualify for a full second or third shift, multiplied by the actual hours worked.

6.08 In cases where hours of work must be varied in customers’ camps to comply with Provincial Fire Regulations such work as is carried out under these conditions shall be at straight time rates for the first eight (8) hours.

6.09 **SHIFT ROTATION**  When employees are being worked on two (2) or more shift schedules and where a majority of the employees request it, they shall rotate shifts.

6.10 **OVERTIME**  All hours worked outside of the standard work hours, outside the established shift hours and outside the standard work week shall be considered overtime. *Overtime shall be paid at time and one half for the first two (2) hours of overtime beyond the standard work day, and at double time for all hours thereafter.*
6.11 **OVERTIME VOLUNTARY** All overtime shall be on a voluntary basis. It is agreed that overtime may be necessary in order to respond to the efficient operation and service requirements of the business.

6.12 **OVERTIME NOT PART OF DAILY GUARANTEE** Where an employee, at the request of the Company, performs work at overtime rates, such time will be considered overtime only and will not be included in the computation of his daily guarantee as provided under this Agreement.

6.13 **OVERTIME - CALCULATION OF** Without detracting from the minimum overtime hours worked and/or minimum overtime pay guarantees as provided elsewhere in this Agreement, when an employee works overtime **pay guarantees as provided elsewhere in this Agreement.** When an employee works overtime, his time worked shall be calculated on a fifteen (15) minute unit basis. If an employee works any part of a fifteen (15) minute unit, he shall receive credit for time worked for that full fifteen (15) minute unit.

If the Company has a time clock when an employee works overtime his time worked shall be calculated on a ten (10) or twelve (12) minute period depending on time clock calibration. If an employee works any part of a ten (10) or twelve (12) minute unit, he shall receive credit for time worked for that full ten (10) or twelve (12) minute unit.

6.14 (a) **OVERTIME MEAL** Employees who work beyond ten (10) hours per day shall receive a minimum of one-half (1/2) hour’s pay for time off to eat a meal, and each four (4) hours thereafter, but may take up to forty-five (45) minutes off for such purpose. Further to this, if an employee feels that he requires additional time off, he will request such additional time from the Foreman and if the request is reasonable the Foreman shall grant same. This break shall occur at the regular meal hour.

(b) The Company shall pay the cost of such a meal subject to the following conditions. The meal allowance for the Greater Vancouver area will be a maximum of twelve dollars and fifty cents ($12.50) for meals, and in the areas outside Vancouver the employees will buy a meal at the going rate of the area involved and be reimbursed for the cost. In all cases receipts shall be obtained and turned in to the Company with the amounts being justified by the prices in the area involved.

6.15 **REST BETWEEN SHIFTS** It is intended that every employee should 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 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.

**CLARIFICATION:** Employees working after midnight reporting for work next shift after an eight (8) hour break will not lose the time taken from the shift to make up the eight (8) hour break.
6.16 **WORK BEFORE REGULAR SHIFT**  Employees called in before their regular starting time shall be paid at the double time rate for time worked prior to their regular starting time.

6.17 **WORK AFTER REGULAR SHIFT**  Employees called back to work after their regular shift shall receive a minimum of four (4) hours’ pay at the prevailing overtime rate.

6.18 **WORK ON SATURDAY, SUNDAY, GENERAL HOLIDAYS**  Double time for all hours worked on a Saturday, Sunday or on any General Holiday listed in Article 11, or day observed as such under the terms of this Agreement. This double time is in addition to any General Holiday pay an employee may be entitled to under other provisions of this Agreement.

6.19 **WORK THROUGH REGULAR LUNCH PERIOD**  Where an employee is required to work through his regular established lunch period, such employee shall be paid the applicable overtime rate and be allowed reasonable time off to consume a meal with no loss of pay.

6.20 **WORK WEEK - GUARANTEED**

   (a) An employee who reports for work at the start of the standard work week shall be guaranteed full pay for the balance of the standard work week. The forty-eight (48) hour notice of lay-off provided in the Seniority Section of this Agreement shall take precedence when an employee is laid off on a Thursday. He would work Friday and Monday and by working Monday is not entitled to full pay for that week.

   (b) If an employee of his own volition does not report for his regular shift or shifts, then his weekly minimum five (5) shift pay base shall be reduced to the number received by subtracting the number of shifts missed from base 5.

Recall of Four (4) Consecutive Work Days or Less

   (c) Employees on lay-off recalled to work for four (4) consecutive work days or less will waive the forty (40) hour guarantee for the week in which they are recalled only. Refusal to return to work will not jeopardize the employees right of recall.

   An employee refusing to return to work will not be discriminated against for doing so.

   *Should the recall period of work extend beyond four (4) consecutive work days, the senior employee will be offered such additional work.*
6.21 **WORK WEEK - TUESDAY TO SATURDAY**

(a) If business conditions warrant, a Tuesday to Saturday work week may be established. The Union will be advised of such action prior to the commencement of such a shift. A shift premium of one dollar ($1.00) per hour shall be added to the classified hourly rate.

(b) Staffing for a Tuesday to Saturday work schedule shall first be on a voluntary basis. The Company shall give consideration to seniority in the classification, it being understood that the least senior employee to be considered first.

(c) If the Company is unable to fill the requirements for this shift through the posting procedure, junior employees, or employees hired after the date of ratification will be required to work this shift. They will be informed of this by the Company before hiring.

(d) Five (5) consecutive days, Tuesday to Saturday inclusive, shall be worked.

(e) Lay-offs and lay-off notice shall be in accordance with Article 9.04. However, lay-off notice shall be exclusive of Sundays, Mondays and General Holidays.

6.22 **CALL TIME**

(a) An employee reporting for work on his regular shift shall receive a minimum of eight (8) hours’ pay at his regular rate.

(b) An employee called to work on a Saturday, a Sunday or on a General Holiday, (or days observed as General Holidays) shall receive a minimum of four (4) hours’ pay at the prevailing overtime rates.

6.23 **PREPARATION TIME** The Company will pay one (1) hour personal preparation time to employees being sent on out-of-town jobs for a period of overnight or longer at regular rates up to time and one-half. This will not be paid if an employee prepares for a trip during his normal working hours or if the employee has had a minimum of twenty-four (24) hours notice that he will be going out-of-town.

6.24 **OFF PROPERTY PREMIUM (OUTSIDE DESIGNATED AREA)** The Company will pay a premium of one dollar and fifty cents ($1.50) per hour for all time spent on Company business while out side the Greater Vancouver, Prince George and Kitimat areas. This premium will be added to the regular rate and overtime paid thereon. The Greater Vancouver area includes Vancouver, West Vancouver, North Vancouver, Whistler, Squamish, University area, Burnaby, New Westminster, Richmond, Surrey, Langley, Abbotsford and Chilliwack.

The Greater Kitimat area will include Terrace and Prince Rupert.

Where this Agreement applies to Company branches in centres other than those described above the limits of the applicable centre will govern.
ARTICLE 7 - GRIEVANCE PROCEDURE

7.01 Should a dispute arise between the Company and an employee or the Union as an entity regarding the interpretation, application, operation or any alleged violation of this Agreement, including any question as to whether any matter is arbitrable, it shall be resolved in the following procedural manner:

STEP A - The employee or the Union, together with such person or persons as he or the Union may wish, shall take the matter up with the Company within thirty (30) calendar days.

STEP B - Should a solution not be reached by Step A, then a business representative of the Union, accompanied by the employee if the employee or business representative so wish, shall discuss the matter with the Company. If a solution is reached, this shall be final.

STEP C - If an agreement is not reached under the provisions of Step B above, upon mutual agreement between the Union and the Company and at any time prior to the appointment of an Arbitration Board, or other body, another party may be requested to confer with the Union and the Company to assist in the settlement of any difference arising from an alleged violation of this Agreement. Within ten (10) days of appointment, the selected party will make inquiries which it considers adequate and will submit in writing recommendations for settlement of the difference which will not be binding upon either the Union or the Company or detract from their privileges under this Agreement. All expenses incurred by the appointed party will be paid equally by the Union and the Company. The parties may agree that the recommendation rendered at this Step will be binding on both parties. If a solution is reached, this shall be final.

7.02 GRIEVANCE - TIME LIMIT

Any discharged or suspended employee may, within seventy-two (72) hours of his discharge or suspension, (exclusive of Saturdays, Sundays and General Holidays), in writing, require the Company to give him the reasons for his discharge or suspension and the Company will give such reasons to him, in writing, within seventy-two (72) hours of such request and in the event of any dispute or difference as to whether or not there was proper cause for the discharge or suspension of such an employee, only the reasons so set forth in writing, shall constitute cause.

7.03 SECTION 87 (1) Grievances pertaining to discharge and suspension will not be processed under Section 87 (1) of the Labour Relations Code of B.C. unless there is mutual agreement between the Parties.

ARTICLE 8 - ARBITRATION

8.01 If the procedures set forth in Section 7.01, Step A and Step B, do not result in a solution being reached within seven (7) days of the first discussion between a business representative of the Union and a representative of the Company, or within such further period as the
Company and the Union agree to in writing, the dispute shall be referred to an Arbitration Board of three (3) persons appointed as follows:

(a) The Party desiring arbitration shall appoint a member for the Board and shall notify the other Party in writing of the name and address of the person so appointed and particulars of the matter in dispute.

(b) The Party receiving the notice shall within five (5) days 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 of British Columbia to appoint such third member.

(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 Parties may extend the time by agreement in writing.

(e) The Parties may mutually agree that a sole arbitrator be appointed in place of a three person board. The decision of the sole arbitrator shall be deemed to be the decision of the Board and shall be final and binding. All expenses incurred by the sole arbitrator shall be paid equally by the Parties. Each Party shall pay its own costs.

8.02 If the Arbitration Board finds (or if at any earlier stage of the Grievance Procedure it is found) that an employee has been unjustly suspended or discharged, that employee shall be reinstated by the Company without loss of pay and with all his rights, benefits and privileges which he would have enjoyed if the suspension or discharge had not taken place, or if the Arbitration Board finds (or if at any earlier stage of the Grievance Procedure it is found) that an ex-employee should have been rehired, that ex-employee shall be employed by the Company and paid all pay which he would have enjoyed and accorded all rights, privileges and benefits which he would have enjoyed if he had been hired at the proper time provided, that if it is shown to the Board that the employee has been in receipt of wages during the period between discharge or suspension and reinstatement, or date of failure to rehire and rehiring, the amount so received shall be deducted from wages payable by the Company pursuant to this Article, less any expenses which the employee has incurred in order to earn the wages so deducted, AND PROVIDED THAT the Arbitration Board if circumstances are established before it, which, in the opinion of the Arbitration Board, makes it just and equitable to do so, shall have authority to order the Company to pay less than the full amount of wages lost.

8.03 The Arbitration Board shall have the right to modify any penalty imposed by the Company on an employee.
8.04 If the award of the Arbitration Board is subsequently set aside by a court of competent jurisdiction, the question shall, at the request of either Party, be submitted to another Arbitration Board appointed pursuant to and with all the powers provided by this Article.

8.05 The expenses and remuneration of the Chairman shall be paid by the Parties in equal shares.

8.06 Without restricting the specific powers hereinbefore mentioned, the Arbitration Board shall have all the general powers of an Arbitration Board.

ARTICLE 9 - SENIORITY

9.01 SENIORITY LIST The Company shall at least once every six (6) months, post in a conspicuous place on its premises an up-to-date list of all employees covered by this Agreement showing the date when each commenced his employment with the Company. The Company shall forward to the Union a copy of each list on the date of its posting.

9.02 PROBATIONARY PERIOD When a new employee is hired, it is agreed that he shall be on probation for ninety (90) calendar days and during this period seniority will not be applicable.

When the probationary period is completed, seniority will commence from the date of hiring.

Shop Helpers

- (180 days) initial evaluation period to look at attitude / initiative / attendance and qualifications.
- After Day 181, the shop helper must be in possession of the necessary pre-apprenticeship material (provided by the Operating Engineers) and provide evidence that he/she has scheduled a challenge exam date. Upon notification of successful completion of this exam the shop helper shall become an apprentice indentured through the Operating Engineers and Williams Machinery. He/She has a second 180 days to complete these requirements.
- If all of the previous requirements are not met within (1) year of start date the helper will be released by Williams Machinery.

All Others

- 90 days

9.03 EMPLOYEE - RE-EMPLOYMENT An employee re-entering the employ of the Company within sixty (60) months after his right to recall has expired shall not be subject to another probation period.
9.04 LAY-OFFS

(a) In the event of lay-offs, seniority shall be recognized. The principle of last man on, first man off, shall prevail, subject to job classification. The Company shall give at least forty-eight (48) hours’ notice on lay-offs, exclusive of Saturdays, Sundays and General Holidays.

If lay-offs occur, providing a senior man is capable of performing another job, he shall be given the opportunity to take such a job.

If lay-offs are to take place out of seniority, the company will discuss the matter with the Union during the forty-eight (48) hour notice period. If no agreement can be reached, the lay-offs will occur and the matter referred to the grievance procedure.

(b) An employee laid off in one classification will be given the opportunity of displacing an employee with less seniority in a higher position provided the senior employee has the capability to perform the job.

Employees who bump to another job will be paid the wage rate for the new position.

Employees who accept a position under this Article shall have the right to reinstatement in their former position when such becomes available. The job, in such instances, shall not be posted and the employee will be reinstated in his former classification.

(c) *The Company will have the right to terminate an employee who is on lay-off and has taken alternate employment in the same field with a customer or competitor, unless written permission has been received from the Company.*

9.05 SENIORITY RETENTION

(a) A laid-off employee shall retain his seniority and recall rights with the Company for twelve (12) months after the date of lay-off.

(b) If a laid-off employee is called back to work with the Company within his right to recall period, there shall be deemed to have been no break in such an employee’s continuous service with the Company by reason of such lay-off.

9.06 RE-CALL When vacancies occur, the Company shall rehire laid-off employees according to their seniority and the principle of last man off, first man on, shall prevail, subject to their classification.

The Company shall contact laid-off employees either personally, by mail or through the Union dispatcher at the address or at the telephone numbers supplied by the employee.

It shall be the responsibility of the employee to keep the Company and the Union informed of his current address and telephone number while laid-off.
Subject to the following paragraph, a re-called employee must report back to work within three (3) working days of notice of re-call being delivered. An employee who fails to report back to work within such period shall be considered to have resigned their employment.

If it is anticipated that the re-call will last for four (4) consecutive works days or less, an employee may decline the re-call, unless they are the most junior employee on lay-off who is qualified to do such work.

9.07 LAY-OFF PAY If an employee is laid off for a period that exceeds his right to recall as provided for in the seniority provisions of this agreement and that employee has a minimum of two (2) years’ service with the Company he shall be paid two (2) weeks’ pay based on eighty (80) hours at his then applicable rate of pay. Such an employee may elect to accept lay-off pay under the provisions of this Section before the end of his right to recall period, but in so doing shall forfeit all seniority rights accruing to him under this Agreement, by reason of his term of service with the Company.

ARTICLE 10 - VACATIONS

10.01 Employees will receive vacations and be paid for the vacation in accordance with the following schedule

<table>
<thead>
<tr>
<th>YEARS OF CONTINUOUS SERVICE</th>
<th>VACATION PERIOD</th>
<th>VACATION PAY</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Less than one year</td>
<td>1 day for each major fraction of month worked (max. 10 working days)</td>
<td>4 1/2%</td>
</tr>
<tr>
<td>- 1 year but less than 2 years</td>
<td>2 weeks</td>
<td>4 1/2% or 80 hours*</td>
</tr>
<tr>
<td>- 2 years but less than 7 years</td>
<td>3 weeks</td>
<td>6 1/2% or 120 hours*</td>
</tr>
<tr>
<td>- 7 years but less than 15 years</td>
<td>4 weeks</td>
<td>8 1/2% or 160 hours*</td>
</tr>
<tr>
<td>- 15 years but less than 20 years</td>
<td>5 weeks</td>
<td>10 1/2% or 200 hours*</td>
</tr>
<tr>
<td>- 20 years but less than 25 years</td>
<td>6 weeks</td>
<td>12 1/2% or 240 hours*</td>
</tr>
<tr>
<td>- 25 years but less than 30 years</td>
<td>7 weeks</td>
<td>14 1/2% or 280 hours*</td>
</tr>
<tr>
<td>- 30 years and over</td>
<td>8 weeks</td>
<td>16 1/2% or 320 hours*</td>
</tr>
</tbody>
</table>

* pay at employee’s current classified rate, whichever is greater at the time the vacation is taken.

10.02 CALENDAR YEAR For the purpose of determining a calendar year’s employment to qualify an employee for vacations and vacation pay, the Parties agree that when an employee has earned a minimum of fifteen hundred (1500) hours for which wages are payable in an employee’s calendar year, running from anniversary date to anniversary date, he shall be eligible for vacations as above set forth.
Employees who work less than fifteen hundred (1500) hours shall be paid as the case may be 4-1/2%, 6-1/2%, 8-1/2%, 10-1/2%, 12-1/2% or 14-1/2% of their gross earnings for the work year immediately preceding the vacation period.

10.03 **VACATION PAY ON TERMINATION** In the event of termination of service with the Company after an employee had his vacation he earned for the previous year, he shall receive as vacation pay four and one-half percent (4-1/2%), six and one-half percent (6-1/2%), eight and one-half percent (8-1/2%), ten and one-half percent (10-1/2%), twelve and one-half percent (12-1/2%) or fourteen and one-half percent (14-1/2%) as the case may be of his gross earnings he earned in the year in which he ends his employment for which no vacation has been paid.

10.04 (a) **VACATION PAY - STATEMENT OF** Prior to an employee going on his vacation, the Company shall furnish the employee with a statement showing the period for which the employee is receiving his or her vacation pay, how the vacation pay was calculated, and shall include all overtime payment, commissions, or anything of a monetary value on which the employee has to pay income tax, and also a cheque for the proportionate vacation pay the employee is entitled to.

(b) In Bargaining Units where it is mutually agreed; vacation pay based on the appropriate percentage of gross earnings shall be paid out to each employee on each pay period.

At the time the vacation is taken, the employee shall then be paid the difference subject to Article 10.02.

10.05 **VACATION PERIOD** If an employee so requests, the Company will provide three (3) weeks of the employee’s vacation time in the summer months (May 15th to September 15th). If a dispute arises, vacation periods will be allocated on the basis of seniority.

The Company will consider four (4) weeks’ vacation during the summer months for those employees eligible for five (5) weeks or more vacation, if so requested.

10.06 **VACATION ENTITLEMENT** In any year that an employee becomes entitled to an additional vacation upon reaching his anniversary date of employment, he will be entitled to one (1) week’s vacation with pay at that time.

(i.e.- An employee who reached his second (2nd) anniversary on October 1st would be entitled to one (1) weeks vacation at that time plus two (2) weeks vacation in the ensuing vacation period or he could save his newly achieved vacation time and take three (3) weeks vacation in the ensuing vacation period).

10.07 **VACATION - ANNIVERSARY DATE AND CUT-OFF DATE** An employee’s anniversary of employment date will govern his attainment of vacation entitlement. His vacation pay and time off will be adjusted from his anniversary date to the cut-off date.
The Company may establish a vacation cut-off date.

10.08 **VACATIONS - SCHEDULE CHANGE** An employee’s scheduled vacation period shall not be changed by the Company within the one (1) month period immediately preceding the start of the vacation period without the consent of the employee concerned.

10.09 **VACATIONS - REQUIREMENT TO TAKE** Each employee shall be required to take the full annual holiday period that he is entitled to under the provisions of this Agreement.

10.10 **VACATION ENTITLEMENT - RELATED TO STATUTES** The entitlements of an employee under this Section shall at no time be less beneficial than those he would be entitled to under the provisions of any Government legislation or any Orders or Regulations made thereunder.

10.11 **VACATION ENTITLEMENT - ELIGIBILITY FOR VACATIONS SHALL BE MAINTAINED, BUT NOT ACCUMULATED DURING ABSENCE**

(a) due to temporary illness or non-occupational accident exceeding one year;

(b) with authorized leave of absence.

10.12 **ELIGIBILITY FOR VACATIONS WILL BE MAINTAINED AND ACCUMULATED DURING ABSENCE DUE TO:**

(a) a compensable accident;

(b) serving in the non-permanent Armed Forces of Canada;

(c) temporary illness or non-occupational accident not exceeding one year;

(d) lay-off: Eligibility for vacations will be maintained and accumulated during absence due to lay-off for an employee so long as the employee retains his right to recall.

  e.g.: An employee laid off August 1st 1994 would maintain and accumulate eligibility for vacations until August 1st 1995.

10.13 **VACATION SCHEDULING**

The Company, starting on February 1st each year, will post a notice to inform the employees that by April 1st, all employees have the option to choose the date of their vacation. The Company shall grant their requests according to seniority.

This schedule will be approved and posted by April 15th. Once approved by the Company, the schedule shall not be changed except by mutual agreement between the employee and the Company.
Employees requesting vacation after the Company has approved the vacation schedule shall be granted same on the basis of seniority but such employee shall not bump into vacation dates on the approved schedule.

No one shall be refused vacation time if no one in his classification from that branch is absent, except under exceptional circumstances as mutually agreed by the employee, or Union Business Representative if required, and the Company.

**ARTICLE 11 - GENERAL HOLIDAYS**

11.01 The Company shall give to each employee a holiday with pay on each of the designated general holidays. For each such holiday an employee shall be paid not less than the equivalent of the wages he would have earned at his classified rate of pay for his normal hours of work. An employee shall receive such holiday pay even if the holiday falls on a Saturday, Sunday or an employee’s weekly day off. The designated general holidays shall be:

1. New Year’s Day  
2. Heritage Day  
3. Good Friday  
4. Easter Monday  
5. Victoria Day  
6. Canada Day  
7. B.C. Day  
8. Labour Day  
9. Thanksgiving Day  
10. Remembrance Day  
11. Christmas Day  
12. Boxing Day

and any other holiday declared, proclaimed or celebrated by the Federal and/or Provincial Government will be paid for.

11.02 **GENERAL HOLIDAY - SATURDAY & SUNDAY** When a General Holiday falls on a Saturday or on a Sunday or on an employee’s weekly day off then the next work day shall be observed as the Holiday. If Christmas Day and Boxing Day fall on a Saturday and on a Sunday, respectively, or on an employee’s weekly days off, then the next two (2) work days shall be observed as holidays.

11.03 **GENERAL HOLIDAY PAY WILL BE PAID** Without limiting the general application of Section 11.01 but subject to the provisos contained herein, general holiday pay provisions will prevail:

(a) Where an employee is off work due to any circumstance for which he is eligible to receive compensation under Workers’ Compensation Act, provided such employee has earned wages from the Company during the sixty (60) calendar days immediately preceding the holiday.

(b) Where an employee is off work due to sickness, quarantine, or an accident provided such an employee has earned wages from the Company during the sixty (60) calendar days immediately preceding the holiday. If the Company so requests, a doctor’s certificate shall be submitted as proof of disability.
Where an employee is laid off or is on an approved leave of absence provided such an employee has earned wages from the Company during the two (2) calendar weeks immediately preceding the week in which the holiday occurs.

Where an employee is off work due to a death in the immediate family or is acting as a juror or witness as provided elsewhere in this Agreement.

11.04 GENERAL HOLIDAY - DURING VACATION When a general holiday falls within an employee’s scheduled vacation, he shall receive the pay of a normal shift for the holiday in addition to his vacation pay, or a day off with pay in conjunction with his vacation.

11.05 The Company shall have the option of providing an alternate day(s) for those employees required to work Heritage Day and/or Easter Monday to provide customer service. The alternate day shall, by mutual agreement, be either the last working day prior to the holiday or the Friday following the holiday.

ARTICLE 12 - WAGES

12.01 The Company shall remunerate an employee at the wage rate applicable to the job classification that such an employee is employed in. The job classification and applicable wage rates shall be those agreed upon and set out in Appendix “A”, attached hereto, and forming part of this Agreement.

12.02 (a) PAY STATEMENT The Company will issue to each employee a separate or detachable itemized statement with each pay showing separately the number of straight time hours worked and the number of overtime hours worked and the respective hourly rates applicable thereon. The statement shall also show the total wages for the pay period and the total deductions therefrom.

(b) The Company shall, every second Friday or another designated pay day, pay to each employee all wages earned by the employee to a day not more than five (5) working days prior to the date of payment provided that if a General Holiday falls on the regular pay day, payment will be made the preceding day.

Payment of wages will be made during working hours. Where a payroll is not met within the prescribed time and unless proper reasons for the delay are forthcoming, it shall not be considered a violation of this Agreement for the employees to cease work until the wages are paid or other arrangements are made.

In the event that an employee is laid off, the Company shall pay such employee not later than the next business day after he ceased to be an employee of the Company, all wages, salary, and holiday pay earned by such employee, excluding authorized deductions. At Branch locations, the fourth (4th) business day shall apply.
12.03 **TIME SLIPS**  An employee shall be required, on Company time, to fill out time slips, service reports and job or work reports daily if the Company so requests.

12.04 **CONSTRUCTION RATES**

(a)  Construction rates of pay shall be paid to employees to install permanent machinery on construction sites or who do repair work on construction sites that would otherwise be done by members of Building Trades Unions. The construction rates of pay shall only apply to the actual hours worked on the construction site.

(b)  Construction rates shall not apply to service calls, inspection calls, warranty work and delivery jobs.

12.05 **ACCIDENTS - PAY TO EMPLOYEES**  Employees involved in an accident while on the job shall receive eight (8) hours’ pay at his classified rate for the day of the accident. If an employee is required to take time off while on the job to consult a doctor with regard to any compensable injury he has received on the job, he shall be paid for such time off provided a doctor’s letter or note is supplied and he returns to complete the day’s work, if practicable.

12.06 **WAGE RATE - HIGHEST DAILY RATE**  Where an employee works in a higher hourly wage classification, he shall be paid the higher rate for the hours worked in such classification.

**ARTICLE 13 - TRAVEL TIME - TRANSPORTATION – EXPENSES**

13.01  

(a)  *Travel time will be paid at straight time during the employee’s regular hours. However, where an employee cannot reasonably return to the shop or their residence on the same day, the employee will have the option of staying overnight and returning the next day, during normal working hours.*

> Where the employee reasonably elects to stay overnight and return the following day, the Company will cover the reasonable costs of meals and accommodations.

(b)  For authorized travel outside the employee’s regular shift hours, Monday to Friday, all hours will be paid at time and one half to a maximum of 8 hours in any 24 hour period.

(c)  All travel time required on Saturday, Sunday or any holiday will be paid for at time and one half to a maximum of eight (8) hours in any twenty four (24) hour period.

(d)  The exception to this provision would be where first class sleeping accommodation is provided while travelling on a public conveyance. In this instance, time would cease at 9:00 pm and commence at 8:00 am the next day.

(e)  Travel time as set out above shall include the following premiums:
• Shift premiums as per Article 6.02 and 6.03
• Lead hand
• Charge hand
• First Aid
• Tuesday to Saturday shift premiums
• Off property premium

13.02 WORK OUTSIDE BRANCH AREA  Employees required to report for work outside the base branch and who cannot return home daily, shall be paid all their transportation, accommodation and meal expenses, and other reasonable, miscellaneous, listed, receipted items.

13.03 WORK OUTSIDE CITY LIMITS

(a) In going to work outside the limits of Greater Vancouver or Prince George respectively and returning daily, men shall be at such city limits at the starting time, and allowed time to return to such city limits at the close of the work day. They shall be paid all fares to and from the city limits to place of work, or alternatively, be supplied with transportation by the Company. It is understood that where employees reside in the city where the work is being done, they shall report to and finish work at the regular starting and stopping time.

(b) All time spent driving or riding in a motor vehicle to and from such job or jobs shall be considered as time worked.

13.04 JOBS AWAY FROM HOME

(a) When an employee is going out on a job which will require his absence from home for one or more nights, the Company shall inform such an employee, on or before the day of his departure, of the approximate length of time he will be out on the job. If an employee is sent out on one job and subsequently is assigned to other jobs, the total period will not be extended beyond fourteen (14) days.

(b) If there is reason to extend this period, and the employee requests to return home, the Company will transport such an employee back to his home base and during such transportation such an employee shall be accorded all the benefits and conditions as to travelling as provided under this Agreement.

(c) This will not preclude long term out-of-town assignments, which will be arranged in advance.

13.05 STANDBY TIME  If an employee reports to a field job outside the Greater Vancouver or Prince George areas respectively, and through no fault of his own, is unable to work, he shall immediately contact the Company for instructions. Nevertheless, while being required to stand by the job, he shall be paid for a regular shift of eight (8) hours in each twenty-four (24).
13.06 **LAY OVER TIME** Where an employee is required to remain in the field on Saturday, Sunday or a General Holiday, he shall be paid eight (8) hours for each such day at straight time rates.

13.07 **EMPLOYEE VEHICLES** Employee vehicles shall not be used on Company business.

**ARTICLE 14 - LEAVE OF ABSENCE**

14.01 **UNION SERVICE**

(a) The Company shall allow time off work without pay for any employee who is serving on a Union Committee for purposes of discussions with the Company, or serving as a Union delegate to any conference or function, provided all requests for time off are reasonable and do not interfere with the proper operation of the business.

(b) No employee who acts within the scope of this sub-section shall lose his job or be discriminated against for so acting.

14.02 **LEAVE OF ABSENCE DUE TO INJURY**

(a) When an employee suffers an injury, whether on the job or not, or suffers any illness preventing him from reporting to work, he will automatically be granted leave of absence until such time as his doctor states he can return to work. In the event that the Company questions the employees fitness for full time duty in the classification in which he is employed he may be referred to a competent medical authority, acceptable to the Company, the Union and the employee concerned. The medical examination shall be at the Company’s expense.

(b) When any employee suffers an injury or illness which requires his absence, he shall report the fact to the Company as soon as possible, prior to his actual starting time, so that adequate replacement may be made if necessary.

14.03 **LEAVE OF ABSENCE - APPLICATION FOR** If an employee desires a leave of absence for reasons other than those referred to in this Section, he must obtain permission, in writing, for the same from the Company, a copy to be supplied to the Union.

14.04 **LEAVE OF ABSENCE - OTHER EMPLOYMENT DISALLOWED** In any instances where an employee accepts other employment without the consent of Management, when on leave of absence for any reason, his employment may be terminated, subject to proper proof of same.

**ARTICLE 15 - GENERAL PROVISIONS**
15.01 **INJURY REPORT** An employee suffering injury while in the employ of the Company must report to the first aid department immediately, or as soon thereafter as practicable, and also report to that department on returning to work.

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

15.03 (a) **SAFETY CLOTHING** The Company will provide the following:

- Rubber clothes
- Rubber boots
- Welders’ gloves
- Welders’ aprons
- Goggles
- Helmets of a reasonable fit and a reasonable quantity as a tool crib item for shop, yard and field use
- Hard hats for job use where required.

(b) **SAFETY GLASSES** - Each employee required to wear prescription glasses shall be reimbursed by the Company for the cost of replacement glasses up to a maximum of *two hundred & seventy-five dollars ($275.00)* once every two (2) years to be paid on a separate cheque.

15.04 **PROTECTIVE CLOTHING** The Company shall supply protective clothing when employees are engaged in cleaning equipment. Insulated coveralls shall be supplied as a tool crib item as per current practice.

**NOTE:** It must be recognized that an understanding of this nature requires a high degree of cooperation between employees and the Company. Employees will not arbitrarily stop work without advising their supervisors.

15.05 **WATERLESS HAND CLEANER** Waterless hand cleaner shall be supplied at all mechanical operations covered by this Agreement.

15.06 **COVERALLS** All employees required to wear coveralls or smocks shall have these supplied and cleaned by the Company at no expense to the employees involved. Any smock or set of coveralls supplied, shall be of the proper size to fit the employee. There shall be at least three (3) changes available each week to the employees involved, and field servicemen going out on calls shall have several extra sets of coveralls to take with them when they go out on such calls.

15.07 **LUNCH ROOM** The Company will supply suitably enclosed heated accommodation where employees may have their lunch. Lockers for personal storage shall be provided.
15.08 **REST PERIODS** An employee shall be granted two (2) ten (10) minute breaks during the course of each shift - one (1) in each half of the shift. An employee shall be granted a ten (10) minute break after each two (2) hours of overtime he works in any day. If an employee is working off the Company’s premises, these periods shall be increased to fifteen (15) minutes.

15.09 **CLEAN-UP** Employees shall be allowed a minimum of five (5) minutes personal clean-up time each shift, such time to precede the end of the shift.

15.10 **SHOP TEMPERATURE** With the cooperation of employees, the Company will attempt to maintain shop temperature above 50 degrees Fahrenheit (10 degrees Celsius), during cold weather. The Company agrees not to require its employees to perform outside repair work in temperatures below -20 degrees Fahrenheit (-29 degrees Celsius), unless adequate protection and some form of heat is provided. Tarpaulins, windbreaks, etc., shall be erected before commencement of work and heat must be made available.

15.11 **SHOP STEWARD**

(a) The Union may elect or appoint a Shop Steward or Shop Stewards to represent the employees and the Union shall notify the Company as to the name or names of such Shop Steward or Shop Stewards. The Company agrees that no Shop Steward shall suffer any discrimination by reason of holding such office.

(b) When the Company for any reason finds it necessary to layoff or terminate a Shop Steward, the Business Representative of the Union shall be notified prior to such termination.

(c) Upon informing Management, authorized agents of the Union shall have access to the Company’s premises during working hours for the purpose of adjusting disputes, investigating working conditions and ascertaining that the Agreement is being adhered to in the operation.

(d) The Shop Steward shall be allowed reasonable time during working hours to carry out his duties. Any employee being reprimanded by the Company shall have the right to request that the Shop Steward be in attendance.

15.12 **PICKET LINE** It shall not be considered a violation of this Agreement for an employee to refuse to cross a picket line which has been legally established as a result of a bona fide labour dispute between a recognized Trade Union and an Employer with whom the picketing Union has a dispute.

15.13 **BONDING** If, at any time, the Company requires an employee to be bonded by an individual bond, the cost of such bonding shall be assumed by the Company. An employee shall not fill out the required bonding application form until such application form has been sanctioned by the Union.
15.14 **TOOL INSURANCE** The Company shall provide, at its expense, tool insurance coverage to each eligible Journeyman and Apprentice. Such coverage shall pay the cost of replacing an employee’s tools, tool for tool, at no cost to the employee. Each employee will provide a brand name inventory of his tools on each anniversary date of the Agreement on a form supplied by the Company to be eligible for tool insurance.

Such tool insurance shall include coverage on an employee’s tool box.

Where an employee has warranty on a broken tool, he will first attempt to claim such warranty.

15.15 **TOOL ALLOWANCE** Journeymen Mechanics with 12 months’ service shall receive a tool allowance as follows, upon provision of receipts, to be paid on a separate cheque:

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 1, 2004</td>
<td>$365.00</td>
</tr>
<tr>
<td>May 1, 2005</td>
<td>$375.00</td>
</tr>
<tr>
<td>May 1, 2006</td>
<td>$385.00</td>
</tr>
<tr>
<td>May 1, 2007</td>
<td>$395.00</td>
</tr>
</tbody>
</table>

Welders’ with a minimum tool list as mutually agreed by the Parties shall receive seventy dollars ($70.00).

Apprentice Mechanics having a set of tools comprising 80% of the value of an average Journeyman Mechanic’s kit, shall also qualify for such allowance.

New Journeymen Mechanics and Apprentice Mechanics with less than 12 months’ service prior to May 1st of each calendar year shall receive a portion of the above allowance prorated to the number of full months employed with the Company.

15.16 **SUB-CONTRACTING** Where the Company’s facilities, space and trained personnel are available, the Company will endeavour to continue to have all work which is presently performed by its employees, performed by members of the bargaining unit.

The Association and the Union will meet semi-annually to discuss problems regarding sub-contracting.

15.17 **NOTICE BOARD**

(a) A notice board shall be provided for the posting of all official Union notices exclusively, and will not be used for the purpose of disseminating political information. The right is reserved to the Company to request the removal of material offensive to the Company.

(b) The following information shall be kept in a central location, readily accessible to the Shop Steward:

1. Seniority list
15.18 **SEVERANCE**  In the event of amalgamation, permanent closure of the plant, or a department thereof, or automation, causing an employee to lose his employment with the Company, the Company hereby agrees to pay severance pay to such an employee provided the employee has a minimum two (2) years’ service with the Company. Severance pay shall be based on an employee’s regular rate of pay at the date of his severance and shall be paid in accordance with the following schedule:

One (1) week’s pay for each year of service with the Company to a maximum of seventeen (17) weeks.

In the event that part of the plant remains open or that an employee has lost his employment because of amalgamation or automation, an employee eligible to receive severance pay may elect to remain on the seniority list for possible recall. The Company shall hold the severance pay for such an employee for the period of his right to recall but during such period the employee may, subject to the same forfeiture provisions of Article 9.07 of this Agreement, request and receive payment of such pay.

15.19 **BEREAVEMENT PAY**  If an employee suffers a death in the immediate family, he shall be granted compassionate leave of absence with full pay for three (3) days. Immediate family means: spouse, mother, father, brother, sister, children, mother-in-law, father-in-law, grandparents and grandchildren. If the employee affected does not attend or arrange services then he shall only be entitled to one (1) day as provided under this Section. The Company shall allow further time off if requested. An employee may take vacation or banked overtime to cover the extended period requested or take the time off without pay.

15.20 **JURY DUTY**

(a) All time lost by an employee due to necessary attendance on jury duty or acting as a witness or any court proceedings arising out of his employment, or subpoenaed as a witness, or in completing his driver’s tests required by the employee for actual employment with the Company, or doctor’s examinations in connection therewith, shall be paid for by the Company at the rate of pay applicable to said employee.

(b) When an employee returns from serving on jury duty or from participating as a witness, he will be returned to the job held prior to serving.

(c) If an employee is employed on an afternoon or graveyard shift and attends upon jury duty or if an employee is attending upon jury duty or acting as a witness and becomes scheduled to commence work on an afternoon or graveyard shift, such an employee shall not be required to work such shifts and shall receive pay for time loss pertaining to jury duty or acting as a witness as provided in this Subsection. All jury
duty pay received by an employee for the days he received pay from the Company shall be paid over to the Company. Any employee on jury duty shall, subject to this Section, make himself available for work before or after being required for such duty whenever practicable during his regular shift.

15.21 DISMISSED OR IMPROPER CHARGES When a charge is laid against an employee, such charge arising while the employee was acting within his scope of employment with the Company, and such charge is dismissed or held improper by a court of competent jurisdiction or on an appeal taken therefrom, the Company shall pay the employee at his regular rate for the time loss due to attendances on his legal counsel and any court appearances. The Company shall also reimburse the employee for any legal fees and other legitimate expenses that the employee has incurred. Prior to the employee taking steps to defend himself, he shall consult the General Manager of the Company to determine which legal firm should be used.

15.22 TRANSFER When an employee agrees to a transfer, the Company shall:

(a) Allow reasonable living expenses to the transferred employee up to a maximum of thirty (30) days. Living expenses are to be discussed initially with the employee before departure and each fifteen (15) days thereafter;

(b) Pay the transferred employee’s transportation costs to the new location and supply first class accommodation and meals to the employee while he is enroute to the new location;

(c) Assume the cost of moving the transferred employee’s family and household goods to the new location. This shall include the cost of transporting and accommodating the family while en-route to the new location.

No transferred employee shall move his family or household goods at the Company’s expense without written authority from the General Manager of the operation.

Any employee transferred to another branch shall, when his assignment is completed at that branch or location, have the Company pay all costs of moving him, his family and household effects back to his original location. This provision will only apply to employees who have been in the transferred position for three (3) years, or less.

15.23 ARTICLE HEADINGS The article headings shall be used for purposes of reference only, and may not be used as an aid in the interpretation of this Agreement.

15.24 EDUCATION FOR UPGRADING The Company agrees to consider the reimbursement of fees to an employee where he is improving or upgrading himself in his line of work. The cost of Tradesmen Qualification Examinations will also be considered.

The Company will be consulted prior to the employee incurring the obligation.
The Company shall pay for all authorized industrial first-aid courses as well as all required refresher courses for designated first-aid attendants.

15.25 **SAFETY BOOT ALLOWANCE** All employees will receive amounts as follows annually as a Safety Boot Allowance to be paid on a separate cheque. Boot allowances to be paid only on production of receipts:

<table>
<thead>
<tr>
<th>Effective</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 1, 2004</td>
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<tr>
<td>May 1, 2005</td>
<td>$140.00</td>
</tr>
<tr>
<td>May 1, 2006</td>
<td>$145.00</td>
</tr>
<tr>
<td>May 1, 2007</td>
<td>$150.00</td>
</tr>
</tbody>
</table>

Any unused amounts may be carried over to the next contract year. This allowance may be used for re-soling or repair of boots.

New employees with less than 12 months’ service prior to May 1st of each calendar year shall receive a portion of the above allowance pro-rated to the number of full months employed with the Company.

**ARTICLE 16 - TECHNOLOGICAL OR PROCEDURE CHANGES**

16.01 In the event the Company proposes the introduction of equipment in its operations, requiring specialized training, the Company agrees to give the first opportunity to employees then on the payroll through the job posting procedures of this Agreement, to operate this equipment and/or train to operate the equipment, provided the applicant qualifies with the requirements of an aptitude test, cost of such test to be borne by the Company. Any employee taking such a test is entitled to know the results of such test. The Company further agrees to notify the Union as soon as its final decision is made as to the introduction of new equipment or any procedural change. Failure on the part of the Company to comply with these provisions will automatically give cause for grievance.

The Company agrees to work with the Union and with Canada Manpower in order to arrange for training of employees whose jobs no longer exist as a result of automation or a substantial change in job content, but whose seniority entitles them to continued employment. Such employees shall have the choice of taking the training provided or of accepting a lay-off.

**ARTICLE 17 - JOB POSTING**

17.01 **PROMOTION** When new jobs are available, wherever possible, the Company will promote employees to a better paying job; seniority, qualifications and ability to be considered.

17.02 **JOB POSTING**
(a) In the event that a new job is created or a vacancy occurs or new equipment is installed in the operation, the Company shall post a notice on the bulletin board notifying that a vacancy exists in a particular job.

(b) Employees desiring such job shall then apply, in writing, within thirty-six (36) hours of such posting, except that employees on vacation or out of town on work for the Company at such time shall have the privilege of applying when they return. The senior employee applying who has the ability to do the job, subject to the Technological or Procedure Changes Article of this Agreement, shall receive such job.

17.03 NEW JOB CLASSIFICATION

(a) When a new job classification is introduced which is not included in the list of classifications in Appendix “A”, the Company and the Union shall promptly negotiate a wage rate for such classification.

(b) Every effort will be made by the Parties to conclude negotiations within thirty (30) days, but in any event, the rate established shall be retroactive to the day the new job commenced.

(c) In the event the Parties hereto are unable to conclude negotiations the matters in dispute shall be referred to a single Arbitrator agreed upon between the Parties. Failing such agreement, either Party at any time may call upon the Minister of Labour of British Columbia to appoint an Arbitrator.

ARTICLE 18 - TRUCK MAINTENANCE AND SAFETY

18.01 TRUCK MAINTENANCE It is to the mutual advantage of both the Company and the employees, that employees should not operate vehicles which are not in safe operating condition and not equipped with the safety equipment required by law. The maintenance of equipment in sound operating condition is not only a function but a responsibility of Management and in respect thereto the Company agrees as follows:

(a) The Company shall not require employees to take out on the streets or highways any vehicle that is not in safe operating condition or equipped with safety equipment, seat belts, or stickers prescribed by law. It shall not be a violation of this Agreement where employees refuse to operate such equipment.

(b) All trucks owned or leased by the Company must have steps or other similar devices to enable drivers to get in and out of the body for safety purposes.

(c) It is agreed between the Company and the Union, having regard for the safety and driver health factor, that all vehicles shall have adequate heaters, windshield wipers and defrosters installed.
(d) It is mutually agreed that a form shall be supplied the driver on which he must report defects in equipment with sufficient copies so that the driver may retain a copy and so that the head office of the Company will have a copy of this report on file.

(e) When a driver reports a defect in equipment, he must tag or mark the vehicle involved in such a manner so that any other employee will notice the defective equipment. It shall be the Company’s responsibility to supply tags or other marking devices. This tag to be left on the vehicle in order to show the work has been completed and shall be removed by the out-going driver.

(f) The Company shall not compel any driver to operate a vehicle which weighs in excess of the legal gross weight limits. Where a driver with the knowledge of the Company operates with an overload and is convicted, the Company shall be responsible for any fines involved. Drivers, who of their own accord, operate with an overload may be subject to discipline and responsible for their own fines.

(g) The Company shall supply a fire extinguisher and an adequate first aid kit for each service vehicle. Each uncovered service vehicle shall be equipped with a tarpaulin.

(h) Bulkheads will be installed on van-type trucks.

ARTICLE 19 - MEDICAL - INSURANCE - DENTAL - PENSION

(a) All companies shall provide and maintain the following coverage for their employees at no cost to such employees. At no time will coverage be less than that currently in place as indicated in Appendix “C”.

(b) The benefits provided under this Article will be firstly subject to the terms of the Collective Agreement and secondly to the terms of the insurance contracts between the Company and the Insurance Carrier.

(c) The Parties recognize that the Plan may contain restrictions, exceptions, qualifications, and other terms affecting entitlement to benefits. Questions of entitlement and eligibility will be determined by clause “b” firstly and then by the terms of the insurance plan and the insurer’s contract.

19.01 MEDICAL

The medical coverage will be equivalent to that supplied by the Medical Services Plan of British Columbia.

19.02 EXTENDED HEALTH BENEFITS

19.03 GROUP INSURANCE COVERAGE

- LIFE INSURANCE $ 30,000.00
- ACCIDENTAL DEATH INSURANCE (24 hour coverage) $ 100,000.00
WEEKLY INDEMNITY $429.00
(1-8-26)*

* 1st day of disability due to an accident
* 8th day of disability due to sickness for
* Maximum period of twenty-six (26) weeks.

(Amounts payable under the Weekly Indemnity provision above shall be indexed and automatically increased to the level of maximum UIC wage loss replacement benefits as required. The UIC rebate shall belong to the Company).

HEALTH & WELFARE

Health & Welfare Policy Brochures outlining Benefit coverage will be distributed with the Collective Agreement and will be made available at the request of an Employee or the Union within 30 days after ratification.

19.04 DENTAL PLAN

A  BASIC DENTAL 100%
B  PROSTHETICS (CROWNS, BRIDGES AND DENTURES) 50%
C  ORTHODONTIA 50/50 - $1,200.00 per year maximum

19.05 ELIGIBILITY An employee will be eligible for all coverage outlined above on the first (1st) day of the month following completion of his probationary period. Current employees on recall or beyond the recall period who may be rehired are not subject to this provision and require no probationary period.

19.06 INSURED BENEFIT COVERAGE - ON LAY-OFF An employee who is laid off will be eligible for continued Health & Welfare Benefit coverage (i.e. Medical, E.H.B. & Dental) for sixty (60) days after the end of the month of lay-off. Coverage will continue for the period stated so long as the Employee is unemployed and not receiving income from another Company.

19.07 PENSION PLAN Effective May 1, 2004, the Company shall make contributions at the rate of four dollars and thirty-three cents ($4.33) per hour for which wages are payable hereunder to each employee within the scope of this Agreement to the Operating Engineers’ Pension Plan.

Effective May 1, 2005, the Company shall increase the contribution by ten cents ($0.10) to $4.43/hour.

Effective May 1, 2006, the Company shall increase the contribution by ten cents ($0.10) to $4.53/hour.
Effective **May 1, 2007**, the Company shall increase the contribution by **ten cents ($0.10)** to $4.63/hour.

The Company is required to report on the forms provided by the Pension Plan.

Contributions must be forwarded by the Company to the Operating Engineers’ Pension Plan by the fifteenth (15th) day of the month following that which contributions cover.

The Pension Plan’s Auditor may inspect during regular business hours a Company’s record of time worked by employees and contributions made to the Plan.

The Pension contribution will not apply to Sick Time hours.

All employees will comply with the Company policy of mandatory retirement at the age of sixty-five (65).

19.08 **LONG TERM DISABILITY** - The Employer agrees to provide an employee paid Long Term Disability Plan. The Company will supply figures for $1,500.00, $2,000.00 and $2,500.00 coverage. This item is tax free when paid by employee.

All employees to be covered to sixty percent (60%) of their basic rate to a maximum of two thousand, five hundred dollars ($2,500.00) per month with an additional premium increase of approximately four cents (.044) per hour. Premium to continue to be paid by the employees.

**ARTICLE 20 - SAVINGS CLAUSE**

20.01 No employee, who prior to the date of this Agreement was receiving more than the rate of wages as set out in the Schedule(s) attached hereto or working less hours than stipulated in this Agreement, shall suffer a reduction of wages or increase in hours worked per week because of the adoption of this Agreement.

20.02 If any Article or Section of this Agreement should be held invalid by operation of law or by a tribunal of competent jurisdiction, or if compliance with or enforcement of any Article or Section should be restrained by such tribunal, pending a final determination as to its validity, the remainder of this Agreement or the application of such Article or Section to persons or circumstances other than those as to which it has been held invalid, or as to which compliance with or enforcement of has been restrained, shall not be affected thereby.

20.03 In the event that any Article or Section is held invalid or enforcement of or compliance with which has been restrained, as above set forth, the Parties affected thereby shall enter into immediate collective bargaining negotiations, upon the request of the Union, for the purpose of arriving at a mutually satisfactory replacement for such Article or Section during the period of invalidity or restraint. If the Parties do not agree on a mutually satisfactory replacement, they shall submit the dispute to the Grievance Procedure.
ARTICLE 21 - DURATION

21.01 This Agreement shall be in full force and effect from and including May 1st, 2004, to and including April 30th, 2008, and shall continue in full force and effect from year to year thereafter subject to the right of either Party to this Agreement within four (4) months immediately preceding the date April 30th, 2008, or immediately preceding the anniversary date in any year thereafter, by written notice to the other Party, require the other Party to commence collective bargaining with a view to the conclusion of a renewal or revision of the Collective Agreement or a new Collective Agreement.

21.02 Should either Party give written notice to the other Party pursuant hereto, this Agreement shall thereafter continue in full force and effect until the Union goes on strike, or the Company locks out, or the Parties shall conclude a renewal or revision of the Agreement or a new Collective Agreement.

21.03 By agreement of the Parties hereto, the provisions of Section 50 (2) and (3) of the Labour Relations Code of B.C. are specifically excluded.

Signed this _______ day of ______________________________, 2005.

INTERNATIONAL UNION OF OPERATING WILLIAMS MACHINERY LTD.
ENGINEERS, LOCAL 115
APPENDIX "A" - WAGE SCHEDULE

<table>
<thead>
<tr>
<th>Shop</th>
<th>May 1, 2004</th>
<th>May 1, 2005</th>
<th>May 1, 2006</th>
<th>May 1, 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Journeymen</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technicians, Welders</td>
<td>26.34</td>
<td>26.74</td>
<td>27.21</td>
<td>27.82</td>
</tr>
<tr>
<td>Machinists</td>
<td>26.34</td>
<td>26.74</td>
<td>27.21</td>
<td>27.82</td>
</tr>
</tbody>
</table>

*Journeyman Mechanics hired after the date of Ratification shall be paid as follows:
0 - 9 months - $2.00 per hour less and 100% of pension of the Journeyman.
10 - 18 months - $1.00 per hour less and 100% of pension of the Journeyman.

<table>
<thead>
<tr>
<th>Shop</th>
<th>May 1, 2004</th>
<th>May 1, 2005</th>
<th>May 1, 2006</th>
<th>May 1, 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working Foreman</td>
<td>26.34</td>
<td>26.74</td>
<td>27.21</td>
<td>27.82</td>
</tr>
<tr>
<td>Journeyman Partsman</td>
<td>25.34</td>
<td>25.74</td>
<td>26.21</td>
<td>26.82</td>
</tr>
<tr>
<td>Parts Picker</td>
<td>15.92</td>
<td>16.16</td>
<td>16.44</td>
<td>16.81</td>
</tr>
<tr>
<td>Truck Driver (1 ton &amp; over)</td>
<td>22.54</td>
<td>22.88</td>
<td>23.28</td>
<td>23.80</td>
</tr>
<tr>
<td>Truck Driver (under 1 ton)</td>
<td>22.35</td>
<td>22.69</td>
<td>23.09</td>
<td>23.61</td>
</tr>
<tr>
<td>Truck Driver (30 day trial)</td>
<td>21.84</td>
<td>22.17</td>
<td>22.56</td>
<td>23.07</td>
</tr>
<tr>
<td>Painter</td>
<td>19.98</td>
<td>20.28</td>
<td>20.63</td>
<td>21.09</td>
</tr>
</tbody>
</table>

Painter - new painter shall start at four dollars ($4.00) per hour less than the stated hourly rate. After every completion of 6 months the employee's hourly rate shall increase by fifty cents ($0.50) until the hourly rate is equal to the full rate as listed above.

Leadhand: five percent (5%) on the wage rate effective date of ratification.

Chargehand: 10% over and above the Journeyman rate.

Yard/Shop Helper
Steamcleaning, washing parts, changing tires, painting, changing forks, assisting Journeyman when required. There shall be not more than one yard/shop helper for each eight (8) Technicians in a Branch. (Rate to be 50% of Journeyman rate or currently $12.97 per hour).
A pension contribution of 25% of pension of the Journeyman will be reserved and set aside for payment to the helper’s pension package upon his successful registration as an apprentice with Williams Machinery.

FIRST AID ATTENDANT .50

When an employee is designated as First Aid Attendant by the Company he shall be compensated for any time loss for attending First aid courses. The Company will reimburse the cost of tuition and course texts for certification and re-certification upon successful completion of an approved course.

A.01 Use of Students – Students may be used all year. (A student is someone generally enrolled in a full time study plan). This should not be a permanent position for any one employee.

Students shall be paid eight dollars and eighty-three cents ($8.83) per hour and will accumulate no seniority. They shall also be exempt for coverage under the Medical – Insurance – Dental – Pension provisions of this Agreement.
A.02 Any Partsman put in charge of a shift or branch shall be classified as a Journeyman Partsman regardless of his length of service.

A.03 **PARTSMEN RATES** All Partsmen employed as of May 18th, 1979, are to be red-circled at the rates shown above. Partsmen employed after May 18th, 1979 shall be hired at the following pay rates:

1st 6 months - 65% of Journeyman Partsman
2nd 6 months - 70% of Journeyman Partsman
3rd 6 months - 75% of Journeyman Partsman
4th 6 months - 80% of Journeyman Partsman
5th 6 months - 85% of Journeyman Partsman
6th 6 months - 90% of Journeyman Partsman
7th 6 months - 95% of Journeyman Partsman
8th 6 months - 95% of Journeyman Partsman

Apprentice Partsmen indentured under the Apprenticeship Act shall be paid on the basis of the percentage increments provided therein for the Partsmen Apprenticeship program.

A.04 **PARTS PICKER**

(a) A Parts Picker will generally perform duties involved in receiving, shipping, binning and other warehouse duties.

(b) After the effective date of this Agreement the Company may hire persons to work in the warehouse as Parts Pickers who shall be paid the same rates as Partsman, but who will not exceed the rate for Partsman over three (3) years.

(c) Parts Pickers when moving to Partsman category will continue to receive the applicable rate of pay determined by his length of service and if he is on the rate of Partsman over three (3) years he shall work one (1) year at that classification before proceeding to a higher rate.

(d) When four (4) or more employees are working on a shift then one (1) of them will be designated as a Working Foreman.
APPENDIX “B”

B.01 APPRENTICES

(a) All Apprentices employed by the Company shall be indentured to the Operating Engineers’ Apprenticeship Plan within sixty (60) days of commencing his apprenticeship in accordance with the provisions of the Operating Engineers’ Apprenticeship Plan.

(b) A ratio of one (1) Apprentice shall be allowed for each four (4) Journeymen.

(c) Registered Apprentices who, as a requirement of their apprenticeship attend school shall be paid in accordance with the Supplemental Unemployment Benefit Plan, attached to the Collective Agreement as Appendix D.

(d) Apprentices must remain employed with the Company for a minimum of two (2) years after the completion of each apprenticeship course or have to pay back, on a prorated basis, the wages paid at school. Wages does not include EI received during the apprenticeship course.

(e) An Apprentice having served his required time and having passed any necessary examinations will automatically be classified as Journeyman.

(f) All companies shall make contributions at the rate of five cents (.05¢) per hour for which wages are payable hereunder, to each employee within the scope of this Agreement, to the Operating Engineers’ Apprenticeship Board, 4333 Ledger Avenue, Burnaby, B.C. V5G 3T3.

(g) An Apprentice shall not receive further percentage increments without having passed the required training modules and having served his required time on the job.

(h) The Parties hereby agree that apprentices indentured to the said Apprenticeship program are required to pass all prescribed courses in order to be paid as per Appendix “B” of the Master Agreement.

(i) The Company shall be responsible for the pre-authorization/registration of benefits payable through the Human Resources Development Commission.

(j) Apprentice (technician) pay and pension rates assuming pre-apprentice examination has been successfully completed.
<table>
<thead>
<tr>
<th>Period</th>
<th>Pay Rate</th>
<th>Pension Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>First six (6) months</td>
<td>60%</td>
<td>Journeyman Rate</td>
</tr>
<tr>
<td>Second six (6) months</td>
<td>65%</td>
<td>Journeyman Rate</td>
</tr>
<tr>
<td>Third six (6) months</td>
<td>70%</td>
<td>Journeyman Rate</td>
</tr>
<tr>
<td>Fourth six (6) months</td>
<td>75%</td>
<td>Journeyman Rate</td>
</tr>
<tr>
<td>Fifth six (6) months</td>
<td>80%</td>
<td>Journeyman Rate</td>
</tr>
<tr>
<td>Sixth six (6) months</td>
<td>85%</td>
<td>Journeyman Rate</td>
</tr>
<tr>
<td>Seventh six (6) months</td>
<td>90%</td>
<td>Journeyman Rate</td>
</tr>
<tr>
<td>Eighth six (6) months</td>
<td>95%</td>
<td>Journeyman Rate</td>
</tr>
</tbody>
</table>

**B.02 SICK TIME**  The Company shall grant sick leave credits to each employee. These credits shall be granted on the following basis.

At the beginning of each service year with the Company, an employee will receive credit for forty-eight (48) hours’ sick leave to apply to the service year which is just commencing. Before reaching an anniversary date at which time sick time will be received, an employee will receive during the interim period, sick leave credit based on four (4) hours per month which will be accumulative to a maximum of forty-eight (48) hours. A new employee shall not receive sick leave credits until he has been in the employ of the Company for sixty (60) calendar days.

The Company shall, to the extent that sick leave credits are available, pay to an employee who reports sick on a regular work day the equivalent of the wages he would have earned at his classified rate of pay for his normal hours of work and reduce his sick leave credits by the number of hours that correspond with the number of hours that he would normally have worked.

Sick time shall be subject to the following provisions:

1. Sick leave shall be granted for an employee’s personal use only.

2. An employee who reports sick during any day will have his sick leave allotment reduced by the number of hours not worked during that day.

3. Sick time is not to be used for any purpose other than legitimate illness, however, sick time may be used for attending any dental or medical appointments.

4. All absence due to illness of a duration of more than three (3) consecutive scheduled work days shall require a doctor’s certificate to an employee’s department manager. Where a doctor’s certificate is required by the Company, the cost of such certificate shall be borne by the Company.

5. It is the responsibility of an employee to immediately notify his department supervisor of absence due to illness. If there is no notification, absence may be considered absence without pay.
6. A committee of three (3) comprised of an employee’s supervisor, department manager and a business representative of the Union, shall rule on any contingencies not covered by these provisions.

7. In computing time served with the Company for the purpose of determining eligibility for sick time with pay, it will be governed by an employee’s commencement date with the Company.

8. Two (2) days’ unused sick time per service year may be accumulated up to a maximum of twelve (12) extra days sick time provided that:

   (a) There has been no more than two (2) days’ sick leave credits used in that service year for which the extra days are granted.

   (b) Accumulated extra sick time may only be used after the annual six (6) sick time days have been used up.

9. An employee will be paid out for one third of the sick days over the total of twelve (12) when he or she has not taken any sick leave in the previous year.

10. A new employee shall not receive sick leave credits until he has completed his probation.

B.03 The Union reserves the right to render assistance to other labour organizations. It shall not be considered a violation of this Agreement for an employee to refuse to work with a non-Union workman (or workmen).

B.04 No employee shall undertake any work outside the Company premises which could be construed in any way as competitive with the Company. Violation of this would result in immediate dismissal of the employee(s) involved.

B.05 LEAD HAND A Lead Hand is an employee who is able and willing to instruct others in the performance of their work, or who, because of exceptional skill and ability or the nature of his work, is so recognized by the Company.

B.06 CHARGE HAND A Charge hand is an employee assigned to instruct others in the performance of their work and is held responsible for the quality and quantity of the work.
APPENDIX “C”

EMPLOYEE LIFE INSURANCE BENEFIT

All eligible employees $30,000

Note: Your Employee Life Insurance will terminate at age 65 or prior retirement.

EMPLOYEE ACCIDENTAL DEATH AND DISMEMBERMENT BENEFIT

All eligible employees $100,000

Note: Your Employee Accidental Death and Dismemberment benefit will terminate at age 65 or prior retirement.

EMPLOYEE WEEKLY DISABILITY BENEFIT

All eligible employees 60% of weekly earnings, rounded to the nearest dollar, up the UIC benefit maximum at start of disability

under age 65

Waiting Period

Accident: 1 day
Illness: 8 days
Illness, if hospitalized for less of 8 days or period prior to hospitalization at least 18 hours

Benefit Duration 26 weeks

Note: Earnings means regular income paid by your Employer before you became Disabled, but, excluding bonuses and overtime pay which do not form part of UIC insurable earnings.

For hourly employees who are not regularly working full-time, earnings will be calculated as the average number of hours worked in the last 20 weeks (or less, if employed for a less period) times the hourly rate of pay in effect the day before the employee became Disabled

A retroactive change in earnings will be deemed to be effective on the date the change was determined.

DENTAL CARE BENEFITS

All eligible employees under age 65 and their dependents
Covered Charges - (See Benefit Description for Coverage Details)

Routine Care - Dentures, Crowns and Bridgework

Suggested Fee Guide - Payments under this plan will be based on the current Dental Association suggested fee guide of the:

- Province where charges are incurred, if incurred in Canada; or
- Insured person’s home Province, if incurred outside Canada

Calendar Year Deductible: Nil

Percentage Payable:
- Routine Care: 100%
- Dentures, Crowns and Bridgework: 50%

Benefit Maximum (per calendar year):
- Routine Care: Unlimited
- Dentures, Crowns and Bridgework: $2,000

(Combined Maximum)

Health Care Benefits

All eligible employees under age 65 and their dependents

Covered Charges - (See Benefit Description for Coverage Details)

<table>
<thead>
<tr>
<th>Hospital</th>
<th>Convalescent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ambulance</td>
<td>Prescription Drugs</td>
</tr>
<tr>
<td>Out-of-Hospital Nursing</td>
<td>Physiotherapy</td>
</tr>
<tr>
<td>Health Practitioners</td>
<td>Foot Care</td>
</tr>
<tr>
<td>Diagnostic Laboratory and X-Ray</td>
<td>Hearing Care</td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
</tr>
<tr>
<td>Durable Medical Equipment and Supplies for Accidental Injury</td>
<td>Out-of-Province Dental Care</td>
</tr>
</tbody>
</table>

Calendar Year Deductible: $25 per person but not more than $25 per family

Percentage Payable:
- Hospital: 100%
- Psychoanalyst (for Quebec residents only): 50%
- Out-of-Province: 100%
- Other Covered Charges: 100%
Hospital (within Home Province)
Room and Board Limit: semi-private

Convalescent Hospital (within Home Province)
Room and Board Limit: semi-private
Maximum Stay (per period of disability): 180 days

Out-of-Hospital Nursing Benefit
Maximum (in any 36-month period): $10,000

Health Practitioners’ Benefit Maximum (per calendar year)

- Chiropractor, Osteopath: $500 per type of practitioner
- Naturopath, Podiatrist, Christian Science Practitioner, Acupuncture Therapist, Psychologist, Masseur or Speech Therapist
- Psychoanalyst: $1,000 (for Quebec residents only)
  (in any 24-month period, or any 12-month period if under age 18)
- Ophthalmologist or Optometrist: $40 (for New Brunswick residents only)

Foot Care Benefit Maximum: $100 (per calendar year)

Hearing Care Benefit Maximum: $400 (in any 60-month period)

Out-of-Province Benefit Maximum: $1,000,000 (per lifetime)

Emergency Care
Hospital Maximum Stay: 14 days*
Hospital Room and Board Limit
In Canada: semi-private
Out of Canada: average semi-private

On Referral
Benefit Duration: 60 days
Hospital Room and Board Limit $100 per day

* does not apply if licensed doctor (M.D.) certifies that the insured should not be moved back to his home Province.
APPENDIX “D”

WILLIAMS MACHINERY LTD.

SUPPLEMENTAL UNEMPLOYMENT BENEFIT PLAN

1. The following group of employees is covered by the plan:

   All employees covered by the Collective Agreement between
   Williams Machinery Ltd. And International Union of Operating
   Engineers, Local 115.

2. The plan will supplement EI benefits for periods of unemployment caused by
   training in connection with an indentured Operating Engineers’ Apprenticeship
   Plan.

3. Verification that the employees have applied for and are in receipt of EI benefits
   will be made before SUB payments are paid.

4. The SUB is payable at 95% of the employee’s normal weekly earnings during a
   period in which the employee is not in receipt of EI benefits because:

   a. the employee is serving the two-week waiting period; or

   b. the employee has insufficient insurable employment to qualify for
      EI benefits; or

   c. the employee has exhausted the EI benefit entitlement.

5. The Plan provides that the gross amount of EI benefit from this employment plus
   the SUB payment will equal 95% of the employee’s normal weekly earnings.
   the employee has insufficient insurable employment to qualify for EI benefits; or

6. The SUB payment will be paid for a maximum of six (6) weeks per calendar
   year.

7. Plan duration and notice of changes:

   a. The duration of the plan is for the duration of the Collective
      Agreement between Williams Machinery Ltd. And International Union of
      Operating Engineers, Local 115.

   b. HRSDC – SUB Program will be informed in writing of any change the plan
      within thirty (30) days of the effective date of the change.
8. **Financing and record keeping:**
   
   a. The plan is financed by the employer’s general revenues.
   
   b. A separate record of all the SUB payments will be kept.

9. Payments of guaranteed annual remuneration, deferred remuneration, or severance pay will not be reduced or increased by payments received under the SUB plan.

10. This plan provides for an offset of EI benefits that may have to be repaid as part of the employee’s income tax return. The weekly gross EI benefit from this employment, the SUB payments previously paid plus this offset amount will not exceed 95% of the employee’s normal weekly earnings.

__________________________  ____________________________
Signature                        Signature

__________________________  ____________________________
Title                            Title

__________________________  ____________________________
Date                             Date
APPENDIX “E”

WILLIAMS MACHINERY LTD.

MEMORANDUM OF UNDERSTANDING – CENTRAL INTERIOR

This letter, along with the attached Memorandum of Understanding and Schedule A, contains the entire agreement between the parties with respect to Williams Machinery Central Interior Divisions.

1. Schedule A will be an addendum to the existing Collective Agreement (the “Existing Agreement”) between Williams Machinery Ltd. and the IUOE Local 115.

2. This Agreement between the parties regarding Williams Machinery Central Interior Divisions is a “one of” agreement and applies only to the Central Interior Divisions acquisition the parties have discussed.

3. The geographical area covered by the addendum is from thirty miles on either side of Highway 97 from Enderby to Osoyoos. Any branch within such area will be covered by the addendum. If a new branch is opened in Kamloops the Existing Agreement will apply to that area, unless the parties agree otherwise.

4. On November 1, 2004 and November 1, 2005, there will be a fifteen cent (15¢) pension contribution increase for Central Interior Divisions over and above any pension increase agreed to in collective bargaining, for Central Interior.

5. Employees who are laid off for a period of three months or greater, may elect to bump a junior employee in another branch, including within Central Interior Divisions. If bumping is exercised by an employee, any moving/transfer costs would be at the employee’s expense. This agreement is without prejudice or precedent to the interpretation of bumping rights generally under the Existing Agreement.

6. The Union, will agree to sign the attached “side letter” regarding the strike and ratification procedure for Central Interior Divisions.

7. Schedule A will not be subject to ratification by Central Interior Divisions employees. However, if after Central Interior Divisions are purchased, it is determined that the Union did not have full and complete information regarding the terms and conditions of employment for Central Interior Divisions employees, the parties agree that Jim Kelly will med/arb any disputes over the terms of Schedule A that were affected by lack of full or complete information. Jim Kelly will med/arb any disputes in a manner consistent with paragraph 4 of the Memorandum of Understanding.
8. Within *Central Interior* Divisions, a single individual who is excluded from the bargaining unit can do bargaining unit work, as long as such work does not comprise a majority of his time and does not result in the layoff of an existing employee within *Central Interior* Divisions.
ARTICLE 6 – HOURS OF WORK

6.01 Day Shift: The standard work day will be eight (8) hours Monday to Friday, the shift will commence between 6:00 am and 8:00 am.

6.02 Afternoon Shift: If a second shift is employed, the hours of work will be seven and one-half (7 ½) hours work starting between the hours of 2:30 pm and 4:30 pm, for which eight (8) hours will be paid.

6.03 Night Shift: If a third shift is employed, the hours of work will be seven (7) hours of work starting between the hours of 10:30 pm and 12:30 am for which eight (8) hours will be paid.

No two (2) shifts will be permitted to overlap. If the hours of work need to be changed in the shop, it will be by mutual agreement between the Company and the Union.

If there is a need for other shifts in the shop because of customer needs, the Company and the Union will meet and discuss shift schedules. If the parties cannot come to a mutual agreement within thirty (30) days, it will be referred to arbitration as per Article 8.01 (e).

6.10 Overtime: All hours worked outside the standard work hours, outside the established shift hours and outside the standard work week will be considered as overtime and paid at the following rates.

The first two (2) hours worked outside of the regular scheduled shift will be at one and one-half times (1 ½ X) the regular rate.

The first eight (8) hours worked on the first scheduled date of rest will be at one and one-half times (1 1/2X) the regular rate.

All other hours worked beyond these hours and on General Holidays will be at two times (2 X) the regular rate.

6.14 (a) Overtime Meal: When an employee is required to work beyond ten (10) hours per day, the Company will pay the cost of a good meal. The time required to eat the meal will not be paid.

(b) If the employee chooses not to take a meal break he will be paid fourteen dollars ($14.00).

6.24 Off Property Premium (outside designated area): The Company will pay a premium of one dollar and thirty-five cents ($1.35) per hour for all time spent on company business while outside the areas bounded by Cranbrook, Osoyoos, Salmon Arm and Kamloops with the exception of the City of Kamloops. If an employee is away from company
premises within this area and is not able to return home at night then all hours worked will attract the premium. This premium will be added to the regular rate and overtime paid thereon.

ARTICLE 9 – SENIORITY

9.02 PROBATION PERIOD When a new employee is hired, it is agreed that he shall be on probation for a period of time as noted below, during which time seniority will not be applicable.

<table>
<thead>
<tr>
<th>Shop Helpers</th>
<th>180 days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flex Service Representives</td>
<td>180 days</td>
</tr>
<tr>
<td>All Others</td>
<td>90 days</td>
</tr>
</tbody>
</table>

ARTICLE 10 - VACATIONS

10.01 Years of Continuous Service Vacation Period Vacation Pay

<table>
<thead>
<tr>
<th>Years of Continuous Service</th>
<th>Vacation Period</th>
<th>Vacation Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than one year</td>
<td>1 day per month</td>
<td>4% of gross earnings</td>
</tr>
<tr>
<td>1 year but less than 4 years</td>
<td>2 weeks</td>
<td>4% of gross earnings</td>
</tr>
<tr>
<td>4 years but less than 8 years</td>
<td>3 weeks</td>
<td>6% of gross earnings</td>
</tr>
<tr>
<td>8 years but less than 15 years</td>
<td>4 weeks</td>
<td>8% of gross earnings</td>
</tr>
<tr>
<td>15 years but less than 20 years</td>
<td>5 weeks</td>
<td>10% of gross earnings</td>
</tr>
</tbody>
</table>

One day for every year after twenty (20) years to a maximum of six (6) weeks (12% of gross earnings).

ARTICLE 13 - TRAVEL TIME - TRANSPORTATION - EXPENSES

13.01 New language to read as follows:

Article 13.01 (a), (b) and (c) deleted.

(a) Travel time will be paid at straight time. However, where an employee cannot reasonably return to the shop or their residence on the same day, the employee will have the option of staying overnight and returning the next day, during normal working hours.

Where the employee reasonably elects to stay overnight and return the following day, the Company will cover the reasonable costs of meals and accommodation.

(b) All travel time required on Saturday, Sunday or any holiday will be paid for at time and one-half to a maximum of eight (8) hours in any twenty four (24) hour period.
(c) The exception to this provision would be where first class sleeping accommodation is provided while travelling on a public conveyance. In this instance, time would cease at 9:00 pm and commence at 8:00 am, the next day.

(d) Travel time as set out above shall include the following premiums:

- Shift premiums as per Article 6.02 and 6.05
- Lead hand
- Charge hand
- First Aid
- Tuesday to Saturday shift premiums
- Off property premium

ARTICLE 19 – MEDICAL, INSURANCE, DENTAL, PENSION

19.07 Pension Plan: Effective May 1st, 2004 the Company shall make contributions at the rate of one dollar and sixty five cents ($1.65) per hour for which wages are payable hereunder to each employee within the scope of this Agreement to the Operating Engineers Pension Plan.

Effective November 1st, 2004 the Company shall increase the contribution by fifteen cents ($0.15) to one dollar and eighty cents ($1.80) per hour.

Effective May 1st, 2005 the Company shall increase the contribution by ten cents ($0.10) to one dollar and ninety cents ($1.90) per hour.

Effective November 1st, 2005 the Company shall increase the contribution by fifteen cents ($0.15) to two dollars and five cents ($2.05) per hour.

Effective May 1st, 2006 the Company shall increase the contribution by ten cents ($0.10) to two dollars and fifteen cents ($2.15) per hour.

Effective May 1st, 2007 the Company shall increase the contribution by ten cents ($0.10) to two dollars and twenty-five cents ($2.25) per hour.
APPENDIX “A” - WAGE SCHEDULE

CENTRAL INTERIOR

Schedule A: Wages and Classification

<table>
<thead>
<tr>
<th>Classifications</th>
<th>May 1, 2004</th>
<th>May 1, 2005</th>
<th>May 1, 2006</th>
<th>May 1, 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certified Technician (Journeyperson)</td>
<td>24.11</td>
<td>24.47</td>
<td>24.90</td>
<td>25.40</td>
</tr>
<tr>
<td>Probationary 0 - 9 months</td>
<td>22.11</td>
<td>22.47</td>
<td>22.80</td>
<td>23.40</td>
</tr>
<tr>
<td>Probationary 10 - 18 months</td>
<td>23.11</td>
<td>23.47</td>
<td>23.90</td>
<td>24.40</td>
</tr>
<tr>
<td>Apprentice Technician</td>
<td>As per schedule</td>
<td>As per schedule</td>
<td>As per schedule</td>
<td>As per schedule</td>
</tr>
<tr>
<td>Apprentice Technician (1)</td>
<td>(18.00)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flex Service Rep.</td>
<td>15.83</td>
<td>16.07</td>
<td>16.35</td>
<td>16.68</td>
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<tr>
<td>Parts Classification</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certified Partsperson (Journeyperson)</td>
<td>20.05</td>
<td>20.35</td>
<td>20.71</td>
<td>21.12</td>
</tr>
<tr>
<td>(1)</td>
<td>(23.08)</td>
<td>(23.08)</td>
<td>(23.08)</td>
<td>(23.08)</td>
</tr>
<tr>
<td>Probationary 0 - 9 months</td>
<td>17.55</td>
<td>17.85</td>
<td>18.21</td>
<td>18.62</td>
</tr>
<tr>
<td>Probationary 9 - 18 months</td>
<td>18.30</td>
<td>18.60</td>
<td>18.96</td>
<td>19.37</td>
</tr>
<tr>
<td>Other Classifications – Helper</td>
<td>13.45</td>
<td>13.65</td>
<td>13.89</td>
<td>14.17</td>
</tr>
<tr>
<td>Lead Hand</td>
<td>.50</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chargehand</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) Any employee currently making the same as or more than the agreed-to rates will be red circled (noted as “( )” above) at the above-noted rates until the new rate catches up to or exceeds their red circled rate.

Yard/Shop Helper – there shall not be more than one yard/shop helper for each eight (8) Technicians in a Branch (Rate to be 50% of Journeyman rate).

FLEX SERVICES REPRESENTATIVE

A person who will provide general duties as required, inclusive of performing planned maintenance services and light mechanical work, along with duties described in the helper classification. This individual will not perform any major component work unless in assistance to or under the direction of a licensed Journeyman technician.

Flex Service – there shall not be more than one Flex Service for each eight (8) Technicians per Branch (rate to be 60% of Journeyman rate).
GENERAL DESCRIPTIONS

These are general descriptions of functions within the organization. They are not intended to be restrictive or limit the scope of duties an employee can undertake. The principle of an employee being able to do a task on the basis of doing the work safely and being competent to fulfil the requirements of the job will be maintained.

Certified Technician or Partsperson (Journeyperson): A Certified Technician or Partsperson must be able to carry out any work in his/her trade as required by the Company with the aid of issued drawings or relevant information. A Certified Technician or Partsperson must possess a certificate issued by a recognized industrial trade association.

Probationary Technician or Partsperson: A person whose ability and qualifications to carry out any work in his/her trade are unknown to the Company at the time of his employment. The eighteen (18) months probationary period will allow him/her to train up to Journeyperson standards at which time he/she will become a Journeyperson on successful demonstration of the required proficiencies, be reclassified or be terminated. The Shop Steward and the employee will be informed in writing when the Company hires a person in this category.

Leadhand: A person who is able and willing to instruct others in the performance and coordination of their work, or who because of exceptional skills and ability or the nature of his/her work is so recognized by the Company.

Chargehand: A person who is assigned to instruct others in the performance of their work, is responsible for the quality and quantity of the work, is involved in the schedule of work and some administrative functions.

Flex Services Representatives: A person working at a small location (4 Service Certified Journeypersons or less) who will provide general duties in all aspects of the Branch services, such as performing preventative maintenance services and light mechanical work as well as any duty described in the Helper classification.

Helper: A person who usually works under the direction of the Journeyman and performs limited skill work such as steam cleaning, washing of parts, changing tires and forks, painting and performing rental deliveries, receiving, shipping, binning, and other warehouse duties.

Partsperson: An employee who orders, receives, inventories, sells and ships parts, and maintains computer records of inventory. He shall also be in charge of maintaining the parts room and assemble hoses and parts kits for sale.

Student: A person who attends full time a recognized school who is hired to work part time after school or during holidays and will be paid eight dollars and eighty-three cents ($8.83) per hour, will accumulate no seniority, and will not be entitled to any benefits.
APPENDIX “B”

B.01 APPRENTICES

(b) Apprenticeship ratio: The parties agree to the current ratio of one apprentice for one journeyperson. When the Company hires a second journeyperson the recognized ratio will never be less than two journeypersons to one apprentice.

(c) The Employer shall be responsible for the pre-authorization/registration of benefits payable through the Human Resources Development Commission.
LETTER OF UNDERSTANDING #2

Re: Parts Department – Standby and Call Out Time

It is understood and agreed that the parties will standardize the Parts Department standby and call out time as follows:

1. All Parts Department employees of the Central Interior will be compensated for parts call out on the following basis:
   
   (a) Parts Department employees who are interested will sign up for parts call out. Call out will be done on a rotational basis from the list of employees who have signed up.

   If Partsmen who have signed up on the list cannot be reached or decline to respond to the call-out, then management personnel may attend to the call-out.

   (b) For each call out after a regular shift, employees shall be compensated as follows:

   Central Interior: Fifty-five dollars ($55.00) per call

   No call-out pay as per Article 6.17 shall be paid. For any orders to be filled after 10:00 p.m., the employees shall receive the benefits of Article 6.17.

2. Employees who fill a parts order shall not be required to stay for the four (4) hours if called out under the provision of Article 6.17.
MEMORANDUM OF UNDERSTANDING

Between:

Williams Machinery Ltd.

“Williams”

And

International Union of Operating Engineers, Local 115

“Union”

1. This Memorandum of Understanding and the attached Schedule A will apply to Central Interior, an Interior operation which may be purchased by Williams. If Central Interior is purchased, both the Memorandum of Understanding and the attached Schedule A will become part of the existing Collective Agreement (the “existing Agreement”) between Williams and the Union.

2. It is understood that Central Interior employees would become part of the existing Operating Engineers bargaining unit with Williams. Central Interior employees shall have their previous employment recognized for the purposes of seniority. Job postings and layoffs shall be governed by the Existing Agreement.

3. The parties agree the Existing Agreement will apply to Central Interior, except for the conditions that are agreed to between the parties in the attached Schedule A.

4. The Union recognizes the economic conditions that apply in the region in which Central Interior operates, and will negotiate Schedule A with Williams covering the terms of Central Interior employees in that regard.

5. It is agreed that Central Interior employees will take strike and ratification votes separately from the remainder of the bargaining unit, and that their votes will not be pooled with the remainder of the bargaining unit.
LETTER OF UNDERSTANDING #1

BY AND BETWEEN:

WILLIAMS MACHINERY LTD.

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS,
LOCAL 115

Banked Overtime

In branches where it is mutually agreed that overtime may be banked, employees shall state whether overtime is to be banked or paid at the beginning of each fiscal quarter. An employee may bank overtime equivalent to eighty (80) hours straight time maximum. All overtime worked thereafter shall be paid at the appropriate rate to said employee. Banked overtime may be cancelled by either party upon ninety (90) days written notice. Banked overtime is definitely not to be taken in June to August holiday period unless acceptable to the Company. All unused banked overtime must be paid out at the end of the Company’s fiscal year. That is, no banked time can be carried over a fiscal year end.

Banked time will be used to minimize lay-offs. Selection of employees to use banked time off shall first be on a voluntary basis, and secondly according to seniority, subject to the operating needs of the business.

Banked hours may be withdrawn by an employee in whole or in part at their regular rate at time of withdrawal. In the event an employee also wishes time off, such time will be by mutual agreement and subject to the operating needs and service requirements of the business.

Banked hours may not be withdrawn during a month in which a disciplinary suspension occurs unless the banked time off had been arranged prior to the disciplinary suspension being levied.

NOTE: Branches which try banked overtime will do so on a mutually agreed trial basis.

Signed this _______ day of ______________________________, 2005.

WILLIAMS MACHINERY LTD.   INTERNATIONAL UNION OF
OPERATING ENGINEERS, LOCAL 115

_____________________________________ ____________________________________

_____________________________________ ____________________________________
LETTER OF UNDERSTANDING #2

BETWEEN: WILLIAMS MACHINERY LTD.

AND: INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

The undersigned parties agree as follows:

Re: PARTS DEPARTMENT - STANDBY AND CALL OUT TIME

It is understood and agreed that the parties will standardize the Parts Department standby and call out time as follows:

1. All Parts Department employees in the companies affected will be compensated for parts call out on the following basis:

   a) Parts Department employees who are interested will sign up for parts call out. Call out will be done on a rotational basis from the list of employees who have signed up. This is not mandatory.

   "If Partsmen who have signed up on the list cannot be reached or decline to respond to the call-out, then management personnel may attend to the call-out."

   b) For each call-out after a regular shift, employees shall be compensated fifty-five dollars ($55.00) per call.

   No call out pay as per Article 6.17 shall be paid. For any orders to be filled after 10:00 p.m., the employees shall receive the benefits of Article 6.17.

   c) Employees called out shall also be credited two (2) hours' pension contribution.

2. Employees who fill a parts order shall not be required to stay for the four (4) hours if called out under the provision of Article 6.17.

This Letter of Understanding shall be governed by the provisions of Article 21 of the Collective Agreement.

Signed this ______ day of ______________________________, 2005.

WILLIAMS MACHINERY LTD.   INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

_____________________________________ ____________________________________

_____________________________________ ____________________________________
LETTER OF UNDERSTANDING #3

BETWEEN:

WILLIAMS MACHINERY LTD.

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS,
LOCAL 115

For the purpose of this Letter of Understanding, the contracting out clause, Article 15.16 shall read as follows:

15.16 Where the Company’s facilities, space and trained personnel are available, the Company shall continue to have all work which is presently performed by its employees, performed by members of the bargaining unit.

Where subcontractors are to perform bargaining unit work on site, a permit from the Union shall be obtained.

There will be a quarterly meeting held in each branch to discuss any contracting out work.

This Letter may be cancelled by either party upon thirty (30) days written notice.

The Letter of Understanding shall not prejudice the Collective Agreement nor set a precedent for existing practices.

Signed this _______ day of ______________________________, 2005.

WILLIAMS MACHINERY LTD.   INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

_____________________________________ ____________________________________

_____________________________________ ____________________________________
LETTER OF UNDERSTANDING #4

BETWEEN:

WILLIAMS MACHINERY LTD.

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS,
LOCAL 115

The undersigned parties agree to the following:

The use of Journeyman Mechanics or Apprentice Mechanics in the parts department, on a temporary basis, may be utilized.

This temporary position will not require a formal posting nor will it entitle the mechanic or apprentice mechanic to bump a partsman upon layoff; unless the mechanic or apprentice mechanic has a partsman T.Q. as well.

Temporary shall mean for a maximum term of two (2) weeks per occasion.

This Letter may be cancelled by either party with thirty (30) days' notice.

Signed this _______ day of ______________________________, 2005.

WILLIAMS MACHINERY LTD.   INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

________________________________  ____________________________________

________________________________  ____________________________________
LETTER OF UNDERSTANDING #5

BETWEEN:

WILLIAMS MACHINERY LTD.

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS,
LOCAL 115

The Company and the Union agree on the importance of ensuring customer requirements are met in a timely way.

Although overtime under the Collective Agreement is voluntary, it is understood that employees are expected to work overtime from time to time, where that overtime is required to meet a customer’s needs. It is recognized that the failure to meet the customer’s needs may result in the future loss of that customer’s business, which would negatively impact both the Company and bargaining unit employees.

The parties agree to continue to cooperate in ensuring these customer service requirements are met.

Signed this _______ day of ______________________________, 2005.

WILLIAMS MACHINERY LTD.   INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

_____________________________________ _____________________________________
_____________________________________ ______________________________________