

COLLECTIVE AGREEMENT

between

ENTERPRISE STEEL FABRICATORS LTD.

KELOWNA, B.C.

and

**INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS
VANCOUVER LODGE #692**

JUNE 1, 2005 to MAY 31, 2007

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COLLECTIVE AGREEMENT

BY AND BETWEEN:

ENTERPRISE STEEL FABRICATORS LTD.

(Kelowna Division)

1655 Dilworth Drive, Kelowna, B.C.

(hereinafter referred to as the "Company")

OF THE FIRST PART

AND:

**INTERNATIONAL ASSOCIATION OF MACHINISTS
AND AEROSPACE WORKERS, VANCOUVER LODGE
#692**

(hereinafter referred to as the "Union")

OF THE SECOND PART

WITNESSETH: That in consideration of the mutual covenants and agreements herein set forth, the Parties hereto and the affected employees are mutually agreed as follows:

GENERAL PURPOSE

The purpose of this Agreement is 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, and to maintain mutually satisfactory working conditions, hours and wages for all employees who are subject to the provisions of this Agreement, and generally to promote the mutual interests of the Company and its employees.

THEREFORE, the Union accepts the responsibility to bind its International and District Officers and Local Representatives to the observance of each and all of the provisions and conditions of this Agreement.

ARTICLE 1

BARGAINING AGENCY

- 1.01** The Company recognizes the Union as the sole bargaining agency for its employees, as duly certified under the Provincial Government Labour Relations Act, for the purpose of collective bargaining with respect to rates of pay, hours of employment, and all other working conditions.
- 1.02** An authorized agent of the union shall have access to the Company's establishment during working hours for the purpose of adjusting disputes investigating working conditions and ascertaining that the collective agreement is being adhered to. The Union representative shall make his presence known to Management. It is understood that production is not to be unduly interfered with.
- 1.03** The Company agrees that as a condition of continued employment, all hourly rated employees, as certified under the Provincial Government Labour Relations Act, must become and remain members of the Union within thirty (30) calendar days of commencing employment and remain members during the life of this Agreement.
- 1.04** All present and new full-time employees of the Company who are or may be covered by the Certificate of Bargaining Authority issued to the Union by the Department of Labour of the Province of British Columbia shall pay to the Union, as a condition of employment, and not later than thirty (30) calendar days after the commencement of his employment, dues, initiation and reinstatement fees by payroll deduction, as may from time to time be established by the Union for its members, in accordance with its Constitution and/or By-Laws.
- 1.05** Notwithstanding the provisions of Article 1, Section 4, preceding 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 five (5) 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 that check-off; if the 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.
- 1.06** The term "employee" as used in and for the purpose of this Agreement shall include all hourly rated persons employed in the Company's operations and as covered by the Provincial Government Certification, except and excluding foremen and those having authority to hire and discharge employees, office workers, supervisory officials, salesmen and watchmen.
- 1.07** All deductions as required under Article 1, Sections 4 and 5 shall be made in each calendar month the employee is employed by the Company.

The monies so deducted shall be forwarded by the Company to the Secretary of the Union not later than the 15th day of the following month, accompanied by a statement listing the names of the employees and their Social Insurance Number, for whom deductions were made and the amount of each deduction.

All other remittances required for Medical Coverage, Weekly Indemnity, Dental and Pension, or any other coverage required under this Collective Agreement, shall be remitted to the appropriate carrier not later than the 15th of the month following the month in which the coverage is required.

ARTICLE 2 **MANAGEMENT**

2.01 The management and operation of the plants and the direction of the working forces are vested exclusively in the Company.

2.02 The Company has and shall retain the right to select its employees, to hire, discharge, classify, transfer, promote, demote or discipline them; provided that a claim of discrimination against any employee may be the subject to a grievance and be dealt with as hereinafter provided.

2.03 Union Security All new, substitute and/or casual employees, as a condition of employment, shall sign a form authorizing the deduction of dues or levies and initiation or reinstatement fees of the Union. These forms to be presented and completed by the employee on the date of hire.

2.04 Employee Work Records

Any disciplinary actions, files, and/or notices older than one (1) year from the date of issue will not be used to escalate or advance disciplinary actions against any employee whatsoever.

ARTICLE 3 **HOURS OF WORK & OVERTIME**

3.01 The starting and stopping time, as well as the meal period shall be mutually arranged by the Company and the Union, it being understood that the meal period shall not be less than thirty (30) minutes.

3.02 The standard work day shall consist of eight (8) hours and the standard work week shall consist of forty (40) hours on the first shift worked between the hours of 6:00 a.m. and 4:30 p.m. daily.

3.03 If a second shift is employed, the shift shall consist of eight (8) hours work time, two ten minute rest periods and a half hour unpaid lunch period. A shift premium of Sixty-five (\$.65) cents per hour in the first year, and Seventy (\$.70) cents per hour in the second year of the agreement shall be added to the classified hourly rate.

3.04 If a third shift is employed, the shift shall be of seven and one-half (7 1/2) hours duration, two ten minute rest periods and a half hour lunch period included therein, for which eight (8) hours will be paid, and a shift premium of Seventy-five (\$.75) cents per hour shall be added to the classified hourly rate.

3.05 Five (5) shifts Monday to Friday inclusive, shall constitute a regular week's work on all shifts.

3.06 All hours worked outside the standard hours and outside the established shift hours shall be considered overtime and shall be paid for at the appropriate overtime rates.

(a) First two (2) hours of overtime before or after shift, Monday through Friday will be paid

at time and one half, to a maximum of eight (8) hours per week. The first four (4) hours on Saturday will be paid at time and one-half, double time thereafter. For the purposes of overtime calculation, the workweek shall be defined as Monday to Sunday inclusive.

- (b) If an employee works on a Statutory Holiday as provided for in Article 9 (a), he will be paid double rate for the time worked on the Statutory Holiday, in addition, if he qualifies, he will be paid eight (8) hours at his regular straight time rate for the Statutory Holiday as provided for in Article 9.
- (c) "Above 6 (a) and 6 (b) does not apply to the afternoon shift working 4 - 10 hour shifts (plus 1/2 hour unpaid lunch). Time and one half rates apply to the first 8 hours of overtime per week, after which double time applies".

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

3.08 The company will do its utmost to not have senior employees work the afternoon shift but reserves the right to schedule shiftwork as required.

- 3.09**
- (a) Subject to the exceptions set forth in this Section, any employee reporting for work on his regular shift shall receive a minimum of four (4) hours' pay at his regular wage rate.
 - (b) Any employee completing the first half of his regular shift, and who commences work on the second half of his regular shift, shall receive a minimum of eight (8) hours' pay at his regular wage rate.

PROVIDED THAT if four or eight hours (a) or (b) above is not available at his regular job, the employee shall perform such temporary work as may be assigned to him to qualify for such pay.

The application of the above guarantee shall not apply in the event of fire, power failure or flood where the Company must cease production for a period in excess of two (2) hours.

3.10 Any employee called to work on a Saturday, Sunday or Statutory Holiday shall be paid the overtime rates required by this Agreement with a minimum of two (2) hours at overtime rate.

- (a) Where an employee continues to work overtime he shall be entitled to additional meal breaks every four (4) hours after the first half-hour break, and all such meal breaks shall be paid at straight time. Employees who are to work any overtime are entitled to a Ten (10) minute paid rest break, during such overtime hours. "If any employee is required to work more than one (1) hour of overtime, he is entitled to a ten (10) minute rest break before starting overtime".

- (b) Employees who are requested to work more than two (2) hours overtime after completion of their regular shift will be provided Eight (\$8.00) dollars for a meal to be eaten on Company time which shall count as time worked.

The preceding conditions shall apply every four (4) hours of work thereafter.

- (c) The Company will supply suitable accommodation where employees may have their lunch.

- 3.11 Additional Shifts If an employee is required to change shift more than once in a calendar week he will be paid at double time rate for the balance of the week, unless the second change is to return to his original shift.
- 3.12 Notice of Shift Change The Company will give employees forty-eight (48) hours' notice of shift change except where time will not permit. eg. Company or customer break-downs and repairs, absences requiring the moving of employees to man a shift.
- 3.13 Any employee called out from home, out of his regular shift Monday to Friday inclusive, shall receive a minimum of two (2) hours at double time.
- 3.14 TUESDAY TO SATURDAY WORK WEEK. Employees working the Tuesday to Saturday shift will be paid five (5%) percent per hour over their regular classification rate for each hour worked the entire week the employee is on the Tuesday to Saturday work week.
- 3.15 Employees shall have the option of banking up to an equivalent of four (4) days of straight time calculated from overtime earned at applicable rates. Such banked time may be taken by mutual agreement in conjunction with sick leave. This clause may be cancelled on one (1) months notice by either party.
- 3.16 All overtime shall be voluntary. Overtime will be offered first to people working on the job. Then - overtime shall be assigned on the basis of classification and ability. If the employee's ability is relatively equal the assignment of overtime shall be based on seniority.

ARTICLE 4 **WORKING CONDITIONS**

- 4.01 Employees shall take orders from their immediate supervisor, or from the general management when immediate supervisors are not immediately available.
- 4.02 Employees shall observe the rules of the Company and shall perform fair day's work in the category in which the employee is engaged and shall be subject to discipline by the Management for failure to do so.
- 4.03 Employees will not absent themselves from work without advising the Management. Employees will not leave the plant during their working hours without permission. Failure to obtain permission may be cause for dismissal.

4.04 Five (5) minutes' clean-up time will be allowed at the completion of each shift of eight (8) hours.

4.05 Closure Notice

In the event of closure of the branch causing an employee to lose his employment, the Company shall give the employee at least two weeks notice if he has been employed less than two years and an additional weeks notice for each year of subsequent employment up to a maximum of eight weeks notice.

In lieu of notice the Company has the option of paying the employee his equivalent pay at his current wage rate for all or part of his notice period providing the employee has not quit or is not discharged for just cause.

4.06 An employee must retire from the Company on the last day of the month in which he reaches his/her 65th birthday.

ARTICLE 5 **GRIEVANCES AND COMPLAINTS**

5.01 An honest effort to settle grievances without stoppage of work shall be made in the following manner:

- A. By the aggrieved party with the Shop Steward and the immediate supervisor.
- B. Failing settlement within five (5) days, the employee and/or his Representative shall endeavour to settle the matter with the Department Head.
- C. Should no satisfactory settlement be reached within seven (7) days, the employee's representative will discuss the grievance with the Management.
- D. When the grievances cannot be finally adjusted by the Company and the Union Representative, the matter shall be submitted within seven (7) days to an Arbitration Board of three (3) persons appointed as hereafter provided.

NOTE: All grievances and complaints not settled by the Foreman shall be reduced to writing by the employee(s) and filed with the Company through the Shop Steward or Shop Committee within ten (10) days of occurrence. Any grievance or complaint not so filed shall be deemed to have been waived and shall not be entitled to consideration.

ARTICLE 6 **ARBITRATION**

6.01 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.

6.02 The Party receiving the notice shall within five (5) days thereafter appoint a member of the Board and notify the other Party of its appointment.

6.03 The two arbitrators so appointed shall confer to select a third person to be Chairman and

failing for three days from the appointment of the second of them to agree upon a person willing to act, either of them may apply to the Honourable The Minister of Labour, to appoint such third member.

6.04 The Arbitration Board shall sit, hear the Parties, settle the terms of the question to be arbitrated, and make its award within ten (10) days from the date of the appointment of the Chairman, provided the time may be extended by agreement of the Parties.

6.05 If the Arbitration Board finds that the employee has been unjustly suspended, discharged, or laid-off, that employee shall be reinstated by the Company without loss of pay and with his rights, benefits and privileges which he would have enjoyed if the suspension, discharge or lay-off had not taken place.

PROVIDED THAT if it is shown to the Board that the employee had been in receipt of wages during the period between discharge, suspension or lay-off and reinstatement, the amount so received shall be deducted from wages payable by the employer pursuant to this Clause. AND PROVIDED THAT the Arbitration Board shall have authority to order the employer to pay less than the full amount of wages lost if in the opinion of the Board, such lesser sum is fair and reasonable.

6.06 The Arbitration Board shall have the power to determine whether a particular issue is arbitrable under this Agreement.

6.07 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 Clause.

6.08 The expense and remuneration of the Chairman, shall be paid by the Parties in equal shares.

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

ARTICLE 7 **SENIORITY**

7.01 Upon request the Company will, every six (6) months provide the Union and the Shop Steward with an up-to-date list of all employees covered by this Agreement showing the date when each commenced his employment with the Company.

7.02 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. If requested by the Company, a thirty (30) calendar day extension may be granted.

(a) The probationary period for Journeyman only shall be ninety (90) calendar days.

7.03 An employee re-entering the employ of the Company within six (6) months after his right to recall has expired will not be subject to another probationary period.

7.04 The Company agrees to issue lay-off notices, one (1) week in advance, wherever possible.

In the event of lay-offs, seniority within classifications shall be recognized. The principle of last man on, first man off, shall prevail, subject to the employee's ability to perform the work available.

Employees claiming to have the seniority and ability to perform the work available, will be expected to maintain a reasonable degree of efficiency.

Any lay-offs, or re-hires that are not in strict accordance with the principle of seniority will be discussed with the Union's representative prior to such action.

Any disputes arising from these provisions will be dealt with under the provisions of the Grievance Procedure herein this collective Agreement.

7.05 Employees while on layoff and have recall privileges shall continue to accrue seniority in accordance with Article 7.08. Seniority retention for an employee who has successfully completed his/her probationary period will be as follows:

Seniority	Retention Period
0-6 months	3 months
7-12 months	6 months
12 months or more	6 months plus 2 months per year of service, to a maximum of 12 months

7.06 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, ability and efficiency. The Company shall make personal contact with laid-off employees and confirm by registered mail. It is the employee's responsibility to keep the employer advised of his/her current address and telephone number.

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

7.08 Seniority will be maintained and accumulated during absence due to:

1. A compensable accident.
2. Serving in the non-permanent Armed Forces of Canada.
3. Temporary illness or non-occupational accident not exceeding twenty-six (26) weeks.
4. Lay-off up to three (3) months (cumulative in a vacation year).

(This provides accumulation of seniority for vacation eligibility purposes).

7.09 Seniority will be maintained, but not accumulated during absence due to:

1. Temporary illness or non-occupational accident exceeding twenty-six (26) weeks.
2. Authorized leave-of-absence.
3. Lay-off in excess of three (3) months (cumulative in a vacation year).

7.10 Seniority will be broken by:

1. Voluntary quitting of job.
2. Exceeding authorized leave-of-absence, unless for legitimate cause.
3. Failure to report back to work within three (3) working days after notification to return to work unless failure proved to be unavoidable, it being understood that the work recalled for is of three (3) weeks' duration.
4. Discharge and not reinstated under the terms of this Agreement.
5. Lay-off exceeding the employee's seniority retention period.
6. If an employee is attending a training course relating to his employment, his seniority and recall rights shall be extended from the time of recall by the amount of time required to complete the course. Article 7, Section 10(3) shall not apply until the completion of the course.

ARTICLE 8

VACATIONS

8.01 EMPLOYEES WILL RECEIVE VACATIONS AND BE PAID FOR THE VACATION IN ACCORDANCE WITH THE FOLLOWING SCHEDULE.

<u>YEARS OF CONTINUOUS SERVICE</u>	<u>VACATION PERIOD</u>	<u>VACATION PAY</u>
One year but less than three years	2 weeks	4% of gross earnings
Three years but less than seven years	3 weeks	6% of gross earnings
Seven years but less than sixteen years	4 weeks	8% of gross earnings
Sixteen years but less than twenty-five years	5 weeks	10% of gross earnings
Over Twenty-five years earnings	6 weeks	12% of gross earnings

Effective July 19, 2005, all new employees shall only accumulate a total of four (4) weeks of vacation with pay.

8.02 Two (2) weeks vacation will, as far as practicable, be granted during the period 15th June to 15th September to conform with the wish of the employee concerned and the convenience of the employer, having regard to the necessity of maintaining production.

8.03 In the event of termination of service with the Company after he had his vacation he earned for the previous year, he shall receive the appropriate percentage, when applicable as the case may be, for the year in which he ends his employment for which no vacation has been paid.

8.04 An employee's scheduled vacation period shall not be changed by the Company within the one-month period immediately preceding the start of the vacation period without the consent of the employee concerned.

8.05 Each employee shall be required to take the full annual vacation period that he is entitled to under the provisions of this Agreement in the current year.

8.06 The vacation allowance shall be drawn on the working day preceding the vacation providing the vacation has been scheduled one week in advance.

8.07 Vacation eligibility is resolved on the principle that the employee receives all vacation and vacation pay earned.

8.08 Vacation eligibility lists showing the current accumulated service of each employee shall be prepared prior to each vacation period, a copy of which shall be supplied to the Union.

8.09 For the purpose of determining an employee's eligibility, the following will apply:

The service for purpose of determining vacations of each employee covered by this Agreement shall be established after a probation period of thirty (30) calendar days from the date of employment and shall be calculated from date of employment.

8.10 "The Company will pay vacation pay with a separate cheque and provide an itemized statement of vacation monies, once per calendar year, at the start of the employees vacation."

8.11 When an employee reaches his qualifying anniversary date he will become entitled to one additional week of vacation with pay in accordance with the current Collective Agreement.

At the next cut-off date (June 30), his vacation time and pay will be adjusted to the cut-off date. In the event of an employee's termination after his qualifying anniversary date, his final pay will reflect an adjustment to the cut-off date of June 30th.

ARTICLE 9 **STATUTORY (GENERAL) HOLIDAYS**

9.01 All employees covered by this Agreement shall receive eight (8) hours pay at their regular

straight-time rates for each of the following guaranteed general holidays, in addition to any wages which they may be in receipt of as enumerated in Article III, Section 6, paragraph (c) of this Agreement:

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

9.02 The day observed or celebrated by the Nation or Province shall be considered the Holiday, with the provision that general holidays falling on Saturday will be celebrated the preceding Friday; holidays falling on a Sunday shall be celebrated on the immediately following Monday.

In cases where general holidays fall on a Friday and Saturday, the general holiday falling on a Friday will be celebrated on Friday, the general holiday falling on Saturday will be celebrated on the immediately following Monday.

9.03 Any other days declared during the life of this Agreement will be celebrated and paid for on the same basis as those listed in Section 1.

9.04 In order to qualify for eight (8) hours' pay for a Statutory Holiday, as enumerated in sections 1,2 and 3, of this Article the employee must have:

1. Thirty (30) calendar days' employment with the Company.
2. Worked any part of the regularly-scheduled work day prior to and the first regularly-scheduled day following the holiday.

Exceptions to the foregoing shall be made in cases where the following conditions prevail:

1. The employee is off work due to industrial accident or disease for a period not in excess of two (2) calendar months.
2. The employee is prevented from working due to a bona fide illness for a period not in excess of two (2) calendar months.
A Doctor's certificate shall be submitted as proof.
3. Temporary lay-off not exceeding two (2) weeks and/or termination of services within two (2) weeks prior to any designated holiday.
4. Where leave-of-absence has been approved and the employee has worked some time during the two (2) calendar weeks preceding the week in which the holiday occurs.

ARTICLE 10 **WAGES**

Wages and Classifications shall be those agreed upon and set out in APPENDICES attached hereto and forming part of this Agreement.

ARTICLE 11

GENERAL PROVISIONS

- 11.01** Any employee suffering injury while in the employ of the Company must report immediately to the First Aid Department, or as soon thereafter as possible, and also report to this Department upon returning to work. A copy of the employee's accident report will be supplied to him on request. If the injured employee is not able to work the balance of the shift, the Company will pay his normal daily earnings for the day of the injury PROVIDED no payment is made by Compensation.
- 11.02** Free transportation to the nearest doctor or hospital will be arranged by the Company.
- 11.03** A buzzer or other device to summons a First Aid Attendant will be provided in companies where it is required to have First Aid Services.
- 11.04** Any employee being discharged for disobeying the rules of the Company will only be paid up to the time of discharge. Company rules shall be posted in a conspicuous place within the Plant.
- 11.05** No employee will be paid off until he produces a receipt for any Company-owned tools or equipment which have been issued to him, for purchases made through the Company and unpaid.
- 11.06** A Notice Board will be provided for the posting of all official Union Notices exclusively and not to be used for disseminating political propaganda. All such notices shall be submitted to a Company official for approval before posting.
- 11.07** Adequate washroom and locker facilities will be provided by the Company and kept in a sanitary condition. Employees will cooperate by observing the simple rules of cleanliness.
- (a) The Company will supply suitable accommodation where employees may have their lunch.
 - (b) Five minutes clean-up time allowed at the end of each shift of eight hours.
 - (c) Two (2), ten-minute (10) coffee breaks allowed during each shift of eight hours.
 - (d) All employees to be supplied overalls or smocks and shall have these supplied and cleaned by the Company at no expense to the employees involved. Any smock or set of overalls supplied shall be the proper size to fit the employee. There shall be sufficient changes as required for each department or job available each week to the employees involved, and field servicemen going out on calls shall have extra sets of overalls to take with them when they go out on such calls. "The Company will have sufficient spare coveralls for those employees returning from lay-offs."
 - (e) The Company will pay a Boot Allowance of Fifteen (\$15.00) dollars per month to all members of the bargaining unit upon completion of thirty (30) calendar days of employment. The employee after completion of his/her probationary period may have the option of putting the Boot Allowance into his/her R.R.S.P. account.

11.08 Wages will be paid in the lunch room for the day shift at the end of the shift Thursday. Night shift wages will be paid on Thursday also.

11.09 The employees employed in this plant will elect one Union Member from each shift and each separate shop who will be known as Shop Stewards or Shop Committee, and in no case shall this Committee be comprised of more than three (3) employees. The Union agrees to officially notify Management in writing of the employees selected as Shop Stewards, and will also notify them promptly when there is any change in representation.

No Shop Steward, Committee or Employee shall be discriminated against or jeopardized in seniority standing or suffer any loss of employment on account of membership or activity in the Union, provided that such activity is not allowed to interfere with the work and production of the Company.

11.10 When the Company finds it necessary to lay off or discharge a Shop Steward, the Business Representative of the Union shall be notified prior to such lay-off or discharge.

11.11 Employees Working Alone No employee covered by this Agreement shall be required to operate a machine while alone on any shift or any overtime work.

11.12 Travel Time When an employee is required to work at points outside the Kelowna City Limits he shall receive traveling time on the following basis:

Travel time during the employee's regular shift hours, Monday to Friday inclusive, will be paid for at straight time.

Travel time authorized by the Company or the customer outside the employee's regular shift hours Monday to Friday, will be paid for at time and one-half up to a maximum of eight (8) hours in any twenty-four (24) hour period. All travel time for Saturday and Sunday and 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. The exception to this provision would be where first-class sleeping accommodation is provided. In this instance, time would cease at 9:00 P.M. and commence at 8:00 A.M. the next day.

He shall also be provided with regular-class fares, accommodation and board at no cost to the employee.

11.13

(a) Employees who are assigned and/or engaged or hired for outside installation of machinery where work is performed through general contractors, and in conjunction with Building Trades Unions, shall receive the going field scale rate of wages for the duration of that job. If the job is out-of-town and requires that the employees remain overnight, first-class room and board and transportation shall be provided.

(b) Seventy-five (\$.75) cents per hour field rate to be paid above Classification rate to all members of the bargaining unit covered by this Agreement when working off

Company Premises. The field rate will not attract overtime rate, but will continue into overtime at Seventy-five (\$.75) per hour.

11.14 Tools

- (a) Employees shall supply the necessary small hand tools as required to perform the work expected of them in their particular classification.

Metric Tools shall be supplied by the Company as required above the small tools required as per Section 15 (a).

- (b) The Company agrees to repair or replace employees' tools, broken or damaged on the job. (Normal breakage does not include abuse of tools.)

- (c) The employee shall report broken or damaged tools immediately to his Foreman.

11.15 Loss of Tools The Company will carry a One-hundred (\$100.00) dollar deductible insurance policy to cover tool loss due to break in theft. Employees must submit a tool list to the Company and keep the list up to date.

11.16 Welders are to be supplied gloves as required on submission of old ones at no cost to the employee.

11.17 "Anyone painting over two (2) hours, per day will receive a minimum of specialist rate for all hours worked at painting."

11.18 Course Tuition and Test Fees The Company will pay tuition fees for courses and test fees for those courses and tests pertaining to the trade of the employees covered by this Collective Agreement. The employee shall make a request to the Company for the Company's approval before taking such courses or tests. Such approval shall not be unreasonably withheld. The Parties to this agreement agree to establish committees, to consider the application of this Article and Section.

11.19 Bereavement Pay In the event of death in the employees' immediate family, husband, wife, child, mother, father, brother, sister, mother-in-law or father-in-law, the Company will grant the employee two (2) days leave-of-absence with his regular classification pay if he attends or arranges for the funeral, or three (3) days if the funeral is held outside the Okanagan Area.

11.20 Jury Duty If an employee is called or selected for Jury Duty and/or called as a subpoenaed witness for the Company, the Company shall make up the difference of the employee's regular pay and the amount received for such Jury Duty, and if called as a witness, as described above, the employee shall receive his regular pay while absent from work. If an employee is called for Jury Duty but not selected he will return to work within a reasonable length of time.

11.21 Moonlighting The Company and the Union agree in principle to eliminate the practice commonly known as "moonlighting". The term "moonlighting" shall refer to an employee who regularly makes a practice of working for two or more employers and for the purpose of this Agreement, the term "moonlighting" shall also refer to employees who take employment of any sort during their annual vacation:

Crowns and Bridges 50%

Participation: A condition of employment.
PREMIUMS FOR THIS PLAN SHALL BE PAID 100% BY THE COMPANY.
The limit for the annual Dental coverage shall be \$2,000.00

ARTICLE 13C PREMIUMS

If a covered employee is off work due to injury or illness the Company will, for three (3) months, pay the premiums for the employee's Medical, Extended Health Benefits, Insurance and Dental Plan.

If the employee wishes to be covered for an additional three (3) months, he may do so by paying 100% of the Premiums through the Company office.

ARTICLE 13D PRESCRIPTION LENSES

The Company will pay one hundred (100%) percent of the cost of two (2) sets of prescription eyewear only, to a maximum of \$250.00 per two (2) year period and may include tinting of lenses at the employees option. To achieve a group discount, employees are expected to utilize the Company approved Dispensing Optician. If the Company's approved Dispensing Optician cannot provide adequate eyewear, Employees may purchase their eyewear elsewhere.

ARTICLE 14 APPRENTICES

- 14.01 Apprentices on completion of their probationary period of ninety(90) calendar days, shall form part of this Bargaining Unit, and shall be required to become and remain members of the Union while covered under this Collective Agreement.
- 14.02 Apprentices shall be entitled to all conditions of the Collective Agreement with the exception that:
 - (a) Apprentice plant seniority for the purpose of vacations, Statutory Holidays, etc., shall be based on their date of hire.
- 14.03 Apprentice wage rates shall be as set out in Appendix "B".
- 14.04 When Apprentices attend authorized training classes in their trade during normal working hours, the Company will make up the difference between their regular rate of pay and Government subsidies the Apprentice may be in receipt of.
- 14.05 Apprentices shall not be required to work alone in the field until completion of the fourth year of Apprenticeship for Machinists and the third year of Apprenticeship for Steel Fabricators.
- 14.06 Apprentices can be required to take orders from the Journeyman with whom they are working as well as the regular Company Supervisor.
- 14.07 The maximum number of Apprentices to Journeymen in the shop shall not exceed:

4 Journeyman Fabricator - 1 Apprentice
3 Journeyman Welders - 1 Apprentice

"It is understood that the above ratios may not be combined when applying same formula."

The above Apprentice ratio may be increased only on mutual agreement between the Parties to this Agreement and the Apprenticeship Branch of the Department of Labour of B.C.

- 14.08** An Apprentice having served his required time at the trade, and having passed the necessary examinations, will automatically be classified as a Journeyman and paid rates and conditions as enumerated in this Agreement for the Journeyman Classification.
- 14.09** During the term of this Agreement the Parties will meet at least every six (6) months to discuss and implement improvements to Apprenticeship training.

ARTICLE 15 **SAVINGS CLAUSES**

- 15.01** No provision of this Agreement shall be used to remove working conditions or reduce wages presently in force.
- 15.02** Article Headings Clause The Article Headings of this Collective Agreement shall be used for the purpose of reference only, and shall not be used as an aid in the interpretation of this Agreement.
- 15.03** The Company reserves the right to pay higher wages than the minimum provided herein. However, where off-schedule rates are applied it shall be at the discretion of the Company to maintain or cancel as circumstances warrant.
- 15.04** It shall not be a violation of this Collective Agreement if Members of this Union respect and/or honour a legal picket line.
- 15.05** Should any part hereof or any provisions herein contained be rendered or declared invalid by reason of any existing or subsequently-enacted Legislation, or by any decree of a court of competent jurisdiction, such invalidation of such part or portion of this Agreement shall not invalidate the remaining portions hereof and such remaining portions shall continue in full force and effect.
- 15.06** Work Retention and Sub-Contracting Where the Company's facilities space and trained personnel are available, the Company shall endeavour to continue to have all work which is presently performed by employees of the Bargaining Unit, retained and performed by employees of the Bargaining Unit.

Where work must be performed by others, the Company shall endeavour wherever possible to have its sub-contract work performed by a Union Shop.

- 15.07** Safety Committee It is mutually agreed that a Safety Committee consisting of employees selected by the Union will meet with a management representative or representatives not less frequently than once a month. Minutes of such meetings will be posted on the Notice Board, and a copy sent to the Union and the Compensation Board.

ARTICLE 16

DURATION OF AGREEMENT

- A. This Agreement shall be in full force and effect from and including June 1, 2005 to and including May 31, 2007 subject to the right of either Party to this Collective Agreement, within four (4) months immediately preceding the date of May 31, 2007, or immediately preceding the anniversary date in any year thereafter, by written notice to the other Party to commence collective bargaining with a view to the conclusion of a renewal or a revision of this Collective Agreement or a new Collective Agreement.

Should either Party give written notice to the other Party pursuant hereto, this Agreement shall thereafter continue in full force and effect until the Union shall give notice of strike, or the Company shall give notice of lock-out and such strike or lock-out takes place and/or either Party gives notice of termination, or the Parties shall conclude a renewal or revision of the Collective Agreement or a new Collective Agreement.

The operation of Section 50 (2) of the Labour Relations Code of British Columbia is hereby excluded.

- B. During the life of this Agreement, or while negotiations for a further Agreement are in progress, there shall be no strikes or stoppage of work on the part of the Members of the Union or any Lockout of employees on the part of the Company.

DATED AT KELOWNA B.C. THIS _____.

**INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE WORKERS**

ENTERPRISE STEEL FABRICATORS LTD.
(Kelowna Division)

VANCOUVER LODGE #692.

UNION REPRESENTATIVE

STAN GRANT

DON RAMSAY

APPENDIX "A1"

ENTERPRISE STEEL FABRICATORS LTD.

WAGE RATES AND CLASSIFICATIONS:

For pre July 1, 1993 Employees

JUNE 1, 2005
(\$ PER HOUR)

JUNE 1, 2006
(\$ PER HOUR)

SPECIALIST	\$ 22.32	\$ 22.88
HELPER	19.37	19.86
LABOURER (General Plant Cleanup)	17.15	17.58
STUDENT	8.53	8.74

* If the minimum wage surpasses this rate, the minimum wage shall be considered the applicable wage rate.

CHARGEHAND \$ 2.40 above employee's regular job rate.

LEADHAND \$ 1.00 above employee's regular job rate.

* PROBATIONARY JOURNEYMAN (1-3 Months)

\$ 23.07 \$ 23.65

* PROBATIONARY PRODUCTION MACHINIST & PRODUCTION FITTER (1-3 Months)

\$ 23.07 \$ 23.65

* PROBATIONARY SPECIALIST (1-3 Months)

\$ 21.18 \$ 21.71

* The above mentioned classifications are for training and orientation in the shop and cannot exceed a period of three (3) months.
In the event where an employee is assigned to work in a higher classification, if the employee works the major part of a shift in the higher classification, the employee shall be paid the higher classification rate for the full shift.

APPENDIX "A2"

ENTERPRISE STEEL FABRICATORS LTD.

<u>WAGE RATES AND CLASSIFICATIONS:</u>	JUNE 1, 2005	JUNE 1, 2006
For pre July 1, 1993 Employees	<u>(\$ PER HOUR)</u>	<u>(\$ PER HOUR)</u>
JOURNEYMAN STEEL FABRICATOR	\$25.64	\$26.28
PIPE FITTER - FIRST CLASS	\$25.64	\$26.28
VESSEL LAYOUT/FITTER	\$25.64	\$26.28

PRESSURE WELDER	\$25.64	\$26.28
WELDER WITH C.W.B. Ticket (all position)	\$24.16	\$24.76
LAYOUT BURNER	\$23.24	\$23.82
FITTER WELDER	\$23.24	\$23.82

DEFINITIONS: See Appendix "C"

APPENDIX "A3"
ENTERPRISE STEEL FABRICATORS LTD.

Red circling explanation:

- All employees with seniority would receive upon return to work their pre-strike rate.
- If an employee with seniority was brought back in another capacity, they would receive the pre-strike rate for that category as opposed to the new hire rate.

Wages:

- A B C rate for each category
- All existing employees with seniority are red circled.
- New employees can be put into the "C" category for their probation period.
- After completion of the probation period the new employee receives the "B" rate.
- At the end of one year the "B" rate employee is entitled to "A" rate.

Rates for new hires:

A = X
 B = X - \$1.00
 C = X - \$2.00

	<u>JUNE 1, 2005</u> <u>(\$ PER HOUR)</u>	<u>JUNE 1, 2006</u> <u>(\$ PER HOUR)</u>
Pressure Welder	A) 25.64	26.28
Vessel/Layout Fitter	A) 25.64	26.28
Pipe Fitter	A) 24.84	25.46
Journeyman Steel Fabricator	A) 25.64	26.28
Welder with C.W.B.	A) 22.22	22.78
Layout Burner	A) 20.89	21.41
Fitter/Welder	A) 21.53	22.07
Welder	A) 20.89	21.41
Sub-Arc	A) 20.89	21.41
Specialist	A) 20.25	20.76
Helper	A) 18.94	19.41
Labourer	A) 16.34	16.75

Training:

- 75% of "A" rate for first 1040 hrs.
- 90% of "A" rate for 2nd 1040 hrs.
- 100% of "A" rate after 2080 hrs.
- The 90% rate can be extended by mutual agreement.
- It is understood that the company will do its utmost to provide in house training.
- Limited to 3 to 1 Journeymen to trainee ratio.
- Applies to employees recognized as journeymen by the company.
- Trainee positions will be posted and subject to skill and ability - Seniority will govern other things being relatively equal.

Q.C. Manager - now a management position

- Duties and activities as per past duties with no changes.
- Non production employee who can perform very minor grinding etc in the course of his Q.C. activities.

APPENDIX "B"

ENTERPRISE STEEL FABRICATORS LTD.

APPRENTICE WAGE RATES

FOUR YEAR APPRENTICESHIP

Start to 6 months	55% (of Journeymans hr. rate)
6 months to 12 months	60% (of Journeymans hr. rate)
12 months to 18 months	65% (of Journeymans hr. rate)
18 months to 24 months	70% (of Journeymans hr. rate)
24 months to 30 months	75% (of Journeymans hr. rate)
30 months to 36 months	80% (of Journeymans hr. rate)
36 months to 42 months	85% (of Journeymans hr. rate)
42 months to 48 months	90% (of Journeymans hr. rate)

LETTER OF UNDERSTANDING #1

BETWEEN:

**INTERNATIONAL ASSOCIATION OF MACHINISTS
AND AEROSPACE WORKERS, VANCOUVER LODGE #692**

AND:

**ENTERPRISE STEEL FABRICATORS LTD.
(Kelowna Division)**

It is understood and agreed that afternoon shift shall consist of four (4) ten (10) hour shifts (and 1/2 hour unpaid lunch periods).

It is to be understood that the aforementioned hours of work will constitute the standard hours of work, per work week and will apply to the afternoon shift only.

DATED AT KELOWNA B.C. THIS _____.

**INTERNATIONAL ASSOCIATION OF
MACHINISTS & AEROSPACE WORKERS
VANCOUVER LODGE #692**

ENTERPRISE STEEL FABRICATORS LTD.
(Kelowna Division)

UNION REPRESENTATIVE

LETTER OF UNDERSTANDING #2

BETWEEN:

**INTERNATIONAL ASSOCIATION OF MACHINISTS
AND AEROSPACE WORKERS, VANCOUVER LODGE #692**

(Hereinafter referred to as the Union)

AND:

ENTERPRISE STEEL FABRICATORS LTD.

(Kelowna Division)

(Hereinafter referred to as the Company)

The Parties understand and agree that this Letter of Understanding and Agreement will form an integral part of the Collective Agreement in effect between the Parties and as such, this Letter of Agreement will remain in full force and effect until either Party of the Agreement gives the written Notice required, and complies with all such terms of the Agreement as defined at Article 16 (Duration of Agreement) of the current Collective Agreement.

The Parties understand and agree that effective June 1st, 2005 the Company will pay, up to a matching contribution of \$0.75 (Seventy-five cents) per hour worked into a mutually agreeable Registered Retirement Savings Plan (R.R.S.P.).

It is further agreed that an additional \$0.10 per hour shall be paid effective June 1st 2006, bringing the total hourly contribution to \$0.85 (eighty-five cents) per hour worked.

Employee participation in the R.R.S. Plan is understood to be strictly voluntary on behalf of said employee.

DATED AT KELOWNA B.C. THIS _____.

**INTERNATIONAL ASSOCIATION OF
MACHINISTS & AEROSPACE WORKERS
VANCOUVER LODGE #692**

**ENTERPRISE STEEL FABRICATORS LTD.
(Kelowna Division)**

UNION REPRESENTATIVE

**INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS
VANCOUVER LODGE #692**

APPENDIX "C"

CLASSIFICATIONS:

For the purpose of this Agreement the various Classifications are defined as follows:

1. **A CHARGE HAND** is an employee who is assigned to instruct others in the performance of their work and may be held responsible for the quality and quantity of the work.
2. **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.
3. **A JOURNEYMAN** must possess the ability and qualifications to carry out any work in this trade as required by the Company with the aid of issued drawings or relevant information.

The Classification of Journeyman-Tradesman shall apply to those employees who are or become certified in their trade, plus those employees who are, in the opinion of the Company, proficient to perform the required work in the trade.

Employees who are not Classified as Journeyman-Tradesman and who claim they are proficient to perform the work required in the trade may ask and be given a test as arranged in conjunction with the Union, the Company and the Department of Labour, PROVIDED they can fulfil the requirements of the International Association of Machinists and Aerospace Workers Constitution and the Bylaws of Vancouver Lodge #692.

4. **A PROBATIONARY JOURNEYMAN** is one whose ability and qualifications to carry out any work in his trade are unknown to any employer in the area at the time of employment. Three (3) months probationary period will allow him to train up to Journeyman standards, during which time he will become a Journeyman, reclassified or terminated.
5. **A SPECIALIST** is an employee who operates, punch press, break, shear and similar types of production equipment and painting.
6. **A HELPER** is an employee required to do grinding and general clean-up of fabricated components, moving and loading material, hydro-testing vessels and equipment, sandblasting, yard crane operator, truck driver, assisting fabricators, fitters and welders in the performance of their work.

Helpers will be limited in welding and flame cutting functions in minor jobs to maximum of two (2) hours daily (eg 2" - 4" angle).

7. **A LAYOUT BURNER** is an employee who is required to do routine layout and burn by hand and/or machine, with a minimum of supervision.
8. **A FITTER-WELDER** is an employee who is required to fit and weld structural and miscellaneous fabrications.

9. **STUDENTS** Students may be employed in the shop during summer vacation period and after school. Their duties shall be general plant cleanup, stock room or other similar duties. They shall not displace any member of the bargaining unit. For the purposes of this agreement a student shall be required to be registered at a school or other educational institution recognized in the Province of British Columbia.

They shall as a condition of employment pay Union dues while so employed.

For the larger shops 3 students may be employed.

10. **LABOURER** Is an employee required to do general plant and yard cleanup, unloading and moving material and minor grinding (Parts cleanup).