

COLLECTIVE AGREEMENT

BETWEEN

INLAND KENWORTH LTD.

AND

**UNITED STEELWORKERS
(ON BEHALF OF LOCAL UNION 925)**

February 1, 2005 – January 31, 2008

Errors & Omissions Excepted
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This Agreement dated the 1st day of February, **2005**, and effective as of the 1st day of February **2005**.

BETWEEN: INLAND KENWORTH LTD.

(hereinafter referred to as "the Company")

**AND: UNITED STEELWORKERS
(ON BEHALF OF LOCAL UNION 925)**

(hereinafter referred to as "the Union")

WITNESSETH:

WHEREAS it is the intent and purpose of the parties hereto that this Agreement will promote and improve industrial and economic relations between the Company, the Union, and the employees and to set forth herein the basic agreement concerning rates of pay, hours of work and conditions of employment to be observed between the parties hereto, insofar only as the foregoing affect the Company operation in the Yukon.

NOW THEREFORE in consideration of the mutual covenants and agreements herein set forth, the parties hereto agree as follows:

DISCRIMINATION

There shall be no discrimination by the Company or by the Union or by any member of the collective bargaining unit against any employee or representative of the employer because of race, colour, creed, national origin, age, sex, marital status, union membership or union activity as expressly provided for in this contract.

ARTICLE 1 - BARGAINING AGENCY AND RECOGNITION

- 1.01 The Company recognizes the Union as the sole and exclusive bargaining agent of all employees as defined in Article 2 - Definition of Employee - for the purpose of collective bargaining with respect to rates of pay, hours of work and other conditions of employment and working conditions providing the Union retains its right to conduct collective bargaining on behalf of such employees under the law. Unless otherwise mutually agreed upon, all negotiations with respect to collective bargaining will be carried out at Whitehorse, Yukon Territory.
- 1.02 The Company recognizes that it is not normally the function of persons of or above the rank of foreman to perform work which is currently being performed by an employee in the bargaining unit.

Special training, experimenting and emergencies are precluded. Emergencies are defined as situations when bargaining unit employees are not available on recall, accidents or in situations when overtime has been rejected by bargaining unit employees.
- 1.03 The Company may contract out work which is normally performed by employees in the bargaining unit provided no employee is displaced, laid-off, loses job opportunity or suffers a loss of income.
- 1.04 The Company and the Union shall co-operate fully in the promotion and achievement of the matters set forth in the preamble to this Agreement.

- 1.05 In the event that an employee's job is eliminated as a direct result of technological change within the Company's operations, the Company shall give the Union ninety (90) days advance notice except where a significant number of employees are affected, in which case, one hundred and twenty days (120) days advance notice and the Company shall:
- a) based upon Company job requirements, Company training facilities, 8.01, provide the employee with continued employment with the Company, or alternatively;
 - b) through consultation with the Union make all reasonable efforts to find suitable employment for the employee other than with the Company;
 - c) if the Company elects not to offer retraining to the employee, it shall pay him severance pay of one (1) week at his applicable rate of pay for each year of completed employment with the Company to a maximum of **eight (8)** weeks.

ARTICLE 2 - DEFINITION OF EMPLOYEE

- 2.01 The term "employee" as used in and for the purpose of this Agreement shall mean all employees of the Company in the Yukon Territory, except office and sales staff, foreman and those above.
- 2.02 Whenever the word "married" is used in this Agreement, it also includes common-law relationships.
- 2.03 All references to employees in the male gender in this Agreement shall apply to female as well.

ARTICLE 3 - MANAGEMENT

- 3.01 The Union agrees that the Company has a right to manage and operate its plant and business. This right includes, but is not limited to; hiring and directing the working forces; promote, demote, transfer, lay-off employees, and to discipline, suspend and discharge employees for just cause; the determination of job content; the evaluation of jobs; the assignment of work and the determination of the qualifications of an employee to perform work; the right to decide to continue to operate any of its plants or properties, or any parts thereof; the making, publication and enforcement of rules for the promotion of safety, efficiency and discipline and for the protection of the employees and the Company's plants, equipment, products and operations.
- 3.02 The Company agrees that the exercise of its right in this Article does not relieve the Company or the Union of its obligations arising out of any other provisions of this Agreement, or limit the rights of the members of the Union arising out of any other provision of this Agreement.
- 3.03 No person shall engage in any union activity on Company time within the plant or working of the Company. The foregoing does not preclude casual discussion of Union affairs, or the performance of functions specified in Articles 9 and 12 or the investigation of an alleged infraction that could impair the normal operations of the job.

ARTICLE 4 - UNION SECURITY PROVISIONS

4.01 Membership

The Company agrees that all employees covered under this Agreement, and all new employees hired subsequent to the effective date of this Agreement shall, as a condition of their hiring or continued employment:

- a) authorize the Company in writing to deduct union dues from their pay. The Union will provide a *Check-off Authorization* to the Company for this purpose, the "copy" portion of which is to be mailed by the Company to the servicing staff office of the United Steelworkers at 7820 Edmonds Street, Burnaby, B.C. V3N 1B8.
- b) become members of the Union within thirty (30) days from their effective date of hire and remain members of the Union in good standing.
- c) complete and sign a Union Death Benefit card provided by the Union to the Company for such purposes, which will be mailed to the servicing staff office with the Union portion of the Check-Off Authorization as per Article 4.01 a).

4.02 Check-Off: Process and Procedures

- a) The Company shall deduct from the pay of each member of the bargaining unit, an amount equivalent to the monthly dues, fees and assessments prescribed by the International Constitution of the United Steelworkers.
- b) The Union will give reasonable notice to the Company of any changes in Union dues, fees or other amounts which the Company is required to deduct. All changes will coincide with the beginning of the Company's next pay period.
- c) No later than ten (10) days following the last dues deduction of the month, the dues so deducted shall be made payable and remitted to:

International Secretary-Treasurer
United Steelworkers
Unit D, Box 34223
Vancouver, B.C.
V6J 4N1

- d) The monthly remittance shall be accompanied by a completed USW R115 Form (a summary of the dues calculations made for the month, each month), as well as a statement showing the names of each employee from whose pay deductions have been made and the total deducted for the month. Such statements shall also list the names of the employees from whom no deductions have been made and the reason why, ie W.C.B., W.I., laid off, etc.
- e)
 - (i) A duplicate R115 Form and employee deduction statement as in d) above shall be forwarded by facsimile to:

United Steelworkers, Local 925
Attention: Financial Secretary
 - (ii) United Steelworkers, Servicing Staff Office
Attention: Roy Leslie @ 604-525-4568

- f) The Company agrees to print the amount of total deductions paid by each employee for the previous calendar year on their annual statement of Remuneration (T4 Slip).
- g) The Union agrees to indemnify and save the Company harmless against all claims or other forms of liability that may arise out of, or by reason of deductions made or payments in accordance with this Article.

ARTICLE 5 - HOURS OF WORK AND OVERTIME

5.01 The standard work day will consist of eight (8) hours commencing at 8:00 a.m. and terminating at 5:00 p.m. with a lunch break to start between 11:30 a.m. and 12:30 a.m.

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

- 5.02 a) The standard work week shall consist of five (5) consecutive work days, Monday to Friday inclusive, for mechanical staff.
- b) Provision for a shift of five (5) consecutive days Tuesday to Saturday in the Parts and Services Departments is allowed.

5.03 When partsmen are required to work the afternoon shift, the shift will commence at 1:00 p.m. and terminate at 10:00 p.m., with a lunch break from 5:00 p.m. to 6:00 p.m.

5.04 Employees required to work into their lunch hour shall be paid at one and a half the regular rate of pay for time worked. However, every effort must be made to take the time.

5.05 Employees will be allowed a fifteen (15) minute coffee break once during each half of the shift.

5.06 Employees who are required to work without a meal break will be paid one hour at time and one half in lieu of their meal break.

5.07 **Shift Premium**

- a) Afternoon Shift Premium - \$1.40 per hour
Graveyard Shift Premium - \$1.50 per hour
- b) Any shift which commences from 7:30 a.m., but not later than 9:00 a.m., shall be considered a day shift. A shift commencing after 9:00 a.m., and prior to 6:00 p.m., shall be considered an afternoon shift. Any shift commencing after 6:00 p.m. and prior to 7:30 a.m. shall be considered a third or graveyard shift
- c) Lunch periods shall be within one-half hour of mid-shift.

5.08 **Overtime**

- a) For the purpose of computing overtime, the normal work schedule shall consist of forty (40) consecutive hours per week and eight hours per day.
- b) All overtime in each regularly scheduled shift shall be paid at double time.

5.09 If an employee continues to work beyond eight (8) hours per work day and into the next working day, he shall be paid at the applicable overtime rate as though the work was all performed in one (1) working day.

5.10 The work day shall be a period of twenty-four (24) hours.

- 5.11 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 less any time deducted for being late. An employee recalled at any time during the standard work week, shall be guaranteed full pay for the balance of the standard work week. General holidays shall not be considered part of the standard work week. 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.
- b) An employee reporting for work on his regular shift shall receive a minimum of eight (8) hours pay at his regular rate, less time deducted for being late.
- c) All employees called in before their regular starting time shall be paid at double time for time worked prior to their regular starting time.
- d) 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; the overtime rates as provided for in this Agreement will apply.

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

- e) 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 elapses, 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 eight (8) hour break will not lose the time taken from the shift to make up the eight (8) hour break.

- f) Mechanics called back to work after their regular shift shall receive a minimum of two (2) hours pay at time and one half.
- g) Parts call out rates shall be Fifty (\$50.00) Dollars per call out.
- 5.12 If required to work more than two (2) hours beyond his regular work day, an employee will be granted one-half hour paid meal time straight time.
- 5.13 a) When overtime is required by the Company on any particular job, such work shall first be offered to that employee who ordinarily performs such job, but no employee shall be required to work more than four (4) hours overtime in any one day, nor more than eight (8) hours on his day off or statutory holiday except under emergency conditions.
- b) The Company shall give notice of overtime as far in advance as practicable. Overtime shall be distributed as equitably as possible amongst those employees normally performing the job.
- 5.14 No employee will be required to take time off because of overtime worked.
- 5.15 Wages to be paid every second (2nd) Thursday. Any discrepancies in pay shall be corrected without undue delay.
- 5.16 Outside cold weather work at minus 19 degrees Celsius or colder will be paid at double time

providing such work exceeds one-half hour.

- 5.17 Field service shall be defined as work performed off premises. The selection of employees to be engaged in field service will be done with the mutual consent of the Union and the Company.
- 5.18 Standby Time: If an employee reports to a field job outside the Whitehorse area 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) hours.
- 5.19 The Company agrees to provide satisfactory accommodation and meals at no cost to the employee, plus provide a minimum of \$100.00 per day out of town expense advance.
- 5.20 a) All transportation will be provided for by the Company at no cost to the employee and travel time will be considered as hours worked.
- b) Travel time for training purposes shall be paid at straight time for the employee's normal work day with no overtime provision.
- c) The Company will provide a credit card for use by its employees for the purpose of travel only.
- 5.21 A premium in the amount of \$1.80 per hour will be paid for all work in the field. The above premium will apply to partsmen when out of Whitehorse.
- 5.22 The Company shall pay up to two (2) hours personal preparation time to each employee being sent on out of town jobs for a period of overnight or longer. The personal preparation time is for packing personal belongings at home.

5.23 **Banked Overtime**

Employees have the option of banking overtime on a straight time basis. Upon the request of the employee, duly authorized on the time card, the Company shall accrue appropriately equivalent overtime hours, i.e. banking four hours of double time equals eight hours of straight time.

- a) A maximum of 40 hours may be banked and when any portion is used the employee will have the option of banking back up to 40 hours.
- b) Banked overtime will be accrued at the rate earned and paid out accordingly.
- c) Unless otherwise agreed with the manager, banked time cannot be added to annual vacations or taken when the shop is busy.
- d) Banked overtime shall be considered as time worked and employees who are off on banked time during a Statutory Holiday shall also be entitled to the Holiday Pay.
- e) In the event of termination, all banked overtime owed shall be paid. In the event of a lay-off, employees shall have the option of taking all or a portion of the banked time owed or take it at a later date.

Banked overtime shall be paid in part or full at the request of the employee to a maximum of twice a year unless the employee is laid off, the employee has an emergency or the employee exceeds his bank maximum.

ARTICLE 6 - STATUTORY HOLIDAYS

- 6.01 An employee shall receive eight (8) hours pay at basic rates for each of the following holidays:
New Year's Day, Good Friday, Victoria Day, Dominion Day, Discovery Day, Labour Day, Thanksgiving Day, Remembrance Day, Christmas Day, Boxing Day and two (2) floater holidays.
- 6.02 For work performed on a statutory holiday an employee shall be paid double time (in addition to eight (8) hours pay at his basic rate).
- 6.03 The employee must work the shift before or the shift after a statutory holiday to be eligible for holiday pay.
- 6.04 If a statutory holiday falls on a Saturday, Friday, will be observed as the holiday and if a statutory holiday falls on a Sunday, Monday will be observed as the holiday by mutual agreement.

ARTICLE 7 - VACATIONS WITH PAY

- 7.01 Vacations with pay shall be granted upon the following basis:
Two weeks after completion of one year or 4% of earnings;
Three weeks after completion of three years or 6% of earnings;
Four weeks after completion of eight years or 8% of earnings;
Five weeks after completion of fifteen years or 10% of earnings.
- 7.02 In no case will an employee receive less than his basic rate for each week of vacation entitlement (weeks x 40 hours x rate), provided the employee has worked a minimum of 1,500 hours per year.
- 7.03 Employees upon request will be granted two (2) weeks leave of absence without pay to be taken in conjunction with vacations. Upon Management approval.
- 7.04 If a statutory holiday falls during a vacation period, the employee will be entitled to an additional day's vacation with pay.
- 7.05 a) The Company shall furnish the employee with a statement showing the period for which the employee is receiving his vacation pay, the total of the employee's gross earnings for the year of service for which he is receiving his vacation and how the vacation pay is calculated; i.e., on a percentage or hourly basis. Vacation pay shall be paid to the employee no later than June 15 and December 15.
- b) Holiday schedule will be posted by April 1st. All employees will fill in their schedule. Union and management will meet to determine an employee's vacation schedule.
- c) An employee's scheduled vacation period shall not be changed by the Company or the employee within the one (1) month period immediately preceding the start of the vacation period without the consent of both parties.

ARTICLE 8 - SECURITY

- 8.01 a) The parties recognize that job opportunity and security shall increase in proportion to length of service. It is therefore agreed that in all cases of vacancy, transfer, lay-off, termination and rehiring after lay-off or termination, senior employees shall be entitled to preference. Qualifications override seniority.
- b) In the event of a lay-off an employee shall maintain his seniority for the following periods:

- 1) three (3) months increase of an employee having less than twelve (12) months seniority;
 - 2) six (6) months in the case of an employee having over twelve (12) months but less than thirty-six (36) months seniority;
 - 3) twelve (12) months in the case of an employee having over thirty-six (36) months seniority.
- c) In the event of a lay-off due to a reduction of personnel, he shall be entitled to exercise his Company seniority for the lowest job in any department for which he is qualified.
- d) In the event of a general reduction of crew, the employees shall be laid off in the inverse order of their Company seniority, provided that qualifications and seniority shall be given equal consideration in such layoffs. If and when it is again necessary to increase working force the men shall be re-employed as closely as possible in the inverse order in which they were laid off, providing that they are qualified for the job that is open. It shall be the responsibility of the laid-off employee to notify the Company of his postal address. Such notification shall be by registered mail. In the event that a laid-off employee fails to notify the Company in the manner outlined above, he shall lose his right of re-employment. Laid-off employees who have complied with the foregoing procedure shall be notified by the Company by registered mail at their last known address of the date on which they are to report to work, and should an employee fail to report for work within five (5) working days of such notification, he shall lose his right of re-employment. A copy of the recall notice shall be sent to the Union.
- e) An employee returning from an authorized absence will have the right to return to the job which he held prior to the absence. The employee thus displaced shall have the right of bumping as laid out in 8.01(c).
- 8.02 In recognition, however, of the responsibility of the management for the efficient operation of the plant, it is understood and agreed that in all such cases management shall have the right to pass over any employee if it is established that he does not have the ability or physical fitness to perform the work, after reasonable time and training period.
- 8.03 a) Seniority of each employee, covered by this Agreement, shall be established after a probation period of sixty (60) calendar days and shall count from date of employment. Seniority shall be maintained and accumulated during:
- 1) Absence due to an occupational accident while the employee is performing work for the Company;
 - 2) Absence from employment while serving in the non-permanent armed forces of Canada;
 - 3) Temporary illness or non-occupational accident causing absence not exceeding six (6) months;
 - 4) Authorized leave of absence not exceeding thirty (30) days or any extension thereof.
- b) Seniority shall be maintained but not accumulated for a maximum of six (6) months when an employee accepts a position outside of the Bargaining Unit. After the six (6) month period the employee will lose his Bargaining Unit seniority and will be placed at the bottom of the Bargaining Unit seniority list if he is returned to the Bargaining Unit.

8.04 **Seniority Lists**

- a) Within thirty (30) days of the signing of this Agreement, the Company will prepare a plant-wide seniority list and forward it to the Union. The list will show the following:
- 1) employee's name and number
 - 2) employee's job classification
 - 3) employee's hire or start date
 - 4) all probationary employees

Not less than two (2) copies of the revised list showing the above information will be forwarded to the Union on a quarterly (3 month) basis during the term of this Agreement.

ARTICLE 9 - SAFETY

9.01 A shop Safety and Health Committee shall be established in each shop consisting of two (2) members of the Union, equally representative of the Company and the Union. The duties of the elected representative shall be but not limited to:

- a) Monthly safety meetings will be enforced with the co-operation of the Union and Management
- b) making recommendations for the improvement of safety and health;
- c) the immediate investigation by an elected member of all accidents that have to be reported to the Workers' Compensation Board and require medical attention and review the Workers' Compensation Board report at the next monthly meeting;
- d) make a monthly inspection of Company premises on the safety and health conditions throughout the shop and make recommendations.

All records to be accurate and posted.

Members of the Safety and Health Committee shall receive their regular rate of pay while attending meetings or carrying out investigations.

Should an employee feel that a safety and health hazard exists in connection with his work, he shall immediately request his supervisor to investigate with a view to correcting the situation. If, in the opinion of the employee a safety or health hazard still exists or is not corrected to his satisfaction, he will, with his Shop Steward, present the problem to the departmental manager or his deputy for appropriate action. No disciplinary action shall be taken against any employee who initiates a complaint of this nature.

9.02 Employees required to wear safety boots will be paid one hundred fifty dollars (\$150.00) on presentation of receipt. This provision shall apply once a year.

9.03 The Company will provide the following protective clothing at no cost to the employee where required:

- a) eye protection
- b) rubber smocks
- c) rubber boots (winter and summer)
- d) rubber gloves (winter and summer)
- e) winter coats
- f) hard hats
- g) protective clothing
- h) insulated coveralls
- (i) service truck will be equipped with items a) to h) above
- (j) knee pads

- (k) ear protection
 - (l) impact hand protection
- 9.04 a) It is the responsibility of the Company to provide proper washing facilities, wash basins, hand towels, soap and hot and cold water, clothes lockers of regulation size for the protection of the employees clothing and personal property and to provide janitorial service. Employees shall be expected to observe simple rules of cleanliness and not abuse the facilities provided. The Company will also supply an adequate supply of creepers, trouble lights, extension cords and air hoses.
- b) It is the Company's responsibility to provide garbage cans and materials for the cleanliness of employee's work areas. It is the employee's responsibility to keep these areas clean and tidy consistent with good service department appearance.

Truck and Maintenance Safety

- 9.05 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 the 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) it is agreed between the Company and the Union, having regard for safety and driver health factor, that all vehicles shall have adequate heaters, windshield wipers and defrosters installed.
 - c) the Company shall supply a fire extinguisher and an adequate first aid kit for each service vehicle.

ARTICLE 10 - HEALTH & WELFARE

- 10.01 The Company agrees to a welfare plan to provide the following:
- a) Life Insurance - \$40,000.00 with double indemnity and dismemberment;
 - b) Sickness and Accident Insurance will be paid the higher of Maximum E.I. or factored on base weekly wage rate as follows:

First year of contract	40.0%
Second year of contract	42.5%
Third year of contract	45.0%
 - c) Yukon Health Care Insurance Plan;
 - d) The present Supplementary Health Benefit Plan will have a deductible of \$50.00
 - e) Dental Plan to provide the following based on the Yukon Dental Fee Schedule;
 - 1) Dental Plan A - 100% coverage for basic dentistry;
 - 2) Dental Plan B - 50% coverage for dentures, crown and bridge procedures;

- 3) Dental Plan C - orthodontic treatment.
- f) **Vision Care** – The employer shall provide a replacement plan of two hundred dollars (\$200.00) every two (2) years for eyeglasses. If glasses are damaged at work, the Employer will pay for cost of repair/replacement as required. This will include safety glasses.
- g) The cost of the foregoing benefits as contained in this Article shall be borne by the Company;
- h) An employee will be reimbursed by the company for the cost of a doctor's report that is required by the Company.
- i) Long term disability providing 65% of monthly income after the 26th week of disability.
- j) **Flex Fund** – Effective February 1, 2005, the Company shall provide for a "Flex Fund" in the amount of five hundred dollars (\$500.00) per year of the collective agreement to all bargaining unit employees who have at least twelve (12) months seniority.

This fund can be used for the following:

- Boot Allowance
- Vision Care
- Dental Costs
- Tool Allowance
- Sick Leave
- Leave of Absence
- Transportation Costs

For the first contract year, the Flex Fund will be paid out as a signing bonus within the first two weeks of ratification. It is to be used as a Flex Fund as described above in the amount of \$500.00 for each of the two remaining contract years. Any unused portion will be paid out at the end of the contract year for contract years two and three.

ARTICLE 11 - GENERAL PROVISIONS

- 11.01 a) Any employee being discharged, laid off or leaving on his own accord shall be paid all wages due him as promptly as possible.
- b) All benefits provided for in this Agreement shall be paid at the time of termination on a pro-rated basis.
- 11.02 The Company shall provide bulletin boards with locks exclusively for the use of the Union.
- 11.03 Representatives of the Union shall have access to the Company's premises when they have obtained permission from the Operations Manager, or his designate, and such permission shall not be unreasonably withheld.
- a) A Joint Advisory Committee will be formed to discuss issues of mutual concern. This committee shall consist of two (2) bargaining unit members and two (2) management representatives. This committee shall meet as required but not less than three (3) times a year. On mutual consent of the above parties, the union's business representative and/or a senior management representative may also attend these discussions.
- 11.04 a) Employees required to furnish their own tools will be paid a tool allowance of four hundred dollars (\$400.00) per year. This allowance to be paid 50% in June and 50% in December. Each employee will provide a brand name inventory of his tools on each anniversary date of this agreement to be eligible for tool insurance. Digital photos will be allowed for inventory purposes.
- b) The Company shall provide tool insurance coverage to each eligible journeyman and apprentice covering theft and fire while these articles are being used on Company business.
- c) The Company will pay 50% of the cost of service manuals that are mutually agreed to be required during the performance of a tradesman's duties (Note #3).
- 11.05 All employees required to wear coveralls or smocks shall have these supplied and cleaned by the Company. Employees are expected to take reasonable care of clothing supplied. There shall be reasonable changes available each week in an employee's proper size. The cost of the above shall be borne by the Company.
- 11.06 The Company agrees to pay one-half of the cost of air tools up to and including half inch drive, and special tune-up tools mutually agreed to by the Union and the Company. Maintenance cost of air tools will be absorbed by the Company. The Company will cover the cost of calibration and repair.
- It is understood that should an employee elect to purchase a new tool he will absorb the cost difference between the overhaul cost and the new replacement cost.
- 11.07 The Company agrees to provide vehicle plug-ins during the winter months.
- 11.08 In view of the provision of the "Canada Labour Code" and the orderly procedure contained in this Agreement for the settlement of any grievances which may arise, the Company shall not cause or direct any lockout of employees during the life of this Agreement; and the Union shall not authorize or in any way encourage any strike, walkout, suspension of work or slowdown on the part of any employee or group of employees during the life of the Agreement.

ARTICLE 12 - GRIEVANCE PROCEDURE

- 12.01 In case a grievance arises at the Company's operations an honest effort shall be made to settle the difference in the following manner;
- 12.02 a) There shall be a Grievance Committee consisting of two (2) employees, including the Shop Steward, selected by the Union currently in the employ of the Company.
- b) The Company recognizes the right of the Union to elect or appoint shop stewards in the various areas of the Company's operations. The shop stewards shall have the authority to investigate and process grievances in the first and second stages of the grievance procedure and may act as alternate to a member of the permanent Grievance Committee as contained in this Article.
- 12.03 The Union agrees to advise the Company of the names of the members of the Grievance Committee and the shop stewards, in writing, and also of any changes from time to time.
- 12.04 No employee shall suffer any loss of pay by reason of attendance at meetings between Grievance Committee and the Company. Stewards and Grievance Committee persons shall not lose pay as a result of the investigation and the processing of grievances. It is agreed between the parties that investigation of alleged grievances by shop stewards shall normally take place after working hours. If it is considered by the Union that the grievance is serious, and the Company agrees, then the investigation of the alleged violation will take place during working hours. The steward or employee conducting the investigation will arrange with his foreman to be off work at a time which will least interfere with the conduct of the Company's operations.
- 12.05 a) In the case of a grievance involving the dismissal or suspension of an employee, Stage One of this grievance procedure hereinafter set forth may be omitted.
- b) Grievances of a general or group nature shall be initiated at Stage Two of Article 12.06 on submission of the grievance to the Company, the Grievance Committee or the Union representative.
- c) Company grievances shall be initiated in Stage Two in Article 12.06 by submission of the grievance to the Local or International representative of the Union.
- d) Nothing contained in this Article shall prohibit any employee from discussing his personal complaint with the foreman or representative of the Company before the grievance procedure is initiated.

12.06 **Grievance Procedure**

Stage One

The aggrieved employee shall notify his shop steward or Grievance Committee person, who shall immediately request time off from his foreman, in order to take the matter up if the case is urgent. The shop steward or Grievance Committee person, with or without the aggrieved person, shall within fourteen (14) days of the event giving rise to the grievance, take up the matter with the immediate supervisor who shall give his decision within forty-eight (48) hours. Failing a satisfactory settlement within this period, the grievance shall be put in writing on the grievance form supplied by the Union, and shall be signed by the aggrieved and the shop steward and the matter may within seventy-two (72) additional hours be referred to Stage Two.

Stage Two

The shop steward and/or Grievance Committee person shall submit the grievance in writing to the Department head, who shall submit his decision in writing and forward the same to the shop steward and/or Grievance Committee person within seventy-two (72) hours. Other representatives of the Company may also be present. Failing settlement within this period, the matter may be referred to Stage Three within seventy-two (72) additional hours.

Stage Three

The Grievance Committee shall submit the grievance in writing to the Manager. The Manager or his accredited representative or representatives and a Staff representative of the International Union or its other accredited representative shall endeavour to settle the grievance and either may at their discretion require the employee or employees concerned to appear, if possible, before them to give evidence regarding the dispute. A complete written report of the grievance including the decision at Stage Two must be presented at that time. Failing a settlement within seven (7) days, or such longer period as may be mutually agreed upon in writing, the grievance may be referred to arbitration with twenty-one (21) additional days as hereinafter provided.

Stage Four

Any matter concerning the dismissal, suspension or layoff of an employee who has attained seniority, a question of job opportunity or seniority, or any difference concerning the interpretation, application, operation or alleged violation of this Agreement, or any question as to whether any matter is arbitrable, may be submitted to arbitration by either party giving the other notice in writing of intention to do so within twenty-one (21) days after the time limit for the decision in Stage Three.

- 12.07 In determining the time in which any steps are to be taken under the foregoing provisions of this Article, Saturdays, Sundays and statutory holidays shall be excluded when the time is seven (7) days or less. Any and all time limits fixed by this Article may, at any time, be extended by agreement in writing between the Company and the Union.
- 12.08 If advantage of the provisions of this Article is not taken within the time limits specified herein, or as extended by mutual agreement in writing, the matter in dispute shall be deemed to have been abandoned.
- 12.09 In all cases while disputes are being investigated and settled in accordance with this Agreement, the employee or employees and all other persons concerned must continue to work pending final settlement except where the dispute relates to the discharge or suspension of an employee in which case that employee shall cease to work.
- 12.10 Unless otherwise mutually agreed, all grievance procedures shall be conducted in Whitehorse, Yukon Territory.
- 12.11 An employee's disciplinary record shall only contain those matters conveyed to the employee in writing with a copy to the Union, and such disciplinary record may only be used for previous nine (9) months in any future disciplining of such employee.

ARTICLE 13 - ARBITRATION

- 13.01 Whenever, pursuant to the provisions of this Agreement, a reference to arbitration is invoked, the parties shall within ten (10) days request the Minister of Labour for Canada to appoint an Arbitrator.

- 13.02 The arbitrator shall have jurisdiction and authority to interpret and apply the provisions of this Agreement insofar as it may be necessary to the determination of a grievance referred to the arbitrator, but shall not have the jurisdiction and authority to alter or amend any of the provisions of this Agreement.
- 13.03 The parties will each bear equal proportion of the arbitrator's total expense account.
- 13.04 A claim by an employee that he has been unjustly discharged, suspended or laid off may be settled by confirming the Company's decision in discharging, suspending or laying off the employee, or by reinstating the employee with full or partial compensation for time lost as seems just and equitable in the opinion of the conferring parties or the arbitrator, as the case may be.

ARTICLE 14 - ACCUMULATIVE SICK LEAVE

- 14.01 a) Employees will be credited with one half day sick leave per month to a maximum of 6 days per year.
- b) There will be no waiting period for short term sickness and accident insurance benefits, providing the employee provides the Company with a Doctor's note.
- c) The Company agrees to pay out 50% of unused sick leave at the end of each contract year.

ARTICLE 15- LAY-OFF NOTICE

- 15.01 In the event of a shutdown of the Company operations or a layoff or termination due to lack of work, fire or damage to the Company plant, the Company agrees to give the employees two (2) weeks notice or pay in lieu thereof.

ARTICLE 16- LEAVE OF ABSENCE

- 16.01 An employee shall be granted up to a thirty (30) day leave of absence without pay for the following reasons:
- a) if he requests it from the management in writing; and
- b) if the leave is for a good reason in the opinion of the Management, and does not interfere with operations, except in emergency situations, when leave shall be granted regardless. Such leave will not be unreasonably withheld.
- 16.02 An employee who has been elected or appointed by the Union to attend International, National or local gatherings may request a leave of absence without pay for this purpose. Not more than one (1) employee, from the same category of employment may take leave at any one time, and the Union must give one week's notice in writing of such request for leave.
- This leave will not exceed twenty-one (21) calendar days plus reasonable travel time.
- 16.03 In the case of a death in the immediate family of the employee, the Company will grant him one (1) day leave of absence with pay. If he attends the funeral of the deceased, an additional three (3) days leave of absence will be granted with pay if the funeral is within the Territory. Five (5) days leave of absence will be granted with pay if the funeral is outside the Territory.

"Immediate family" shall mean parents, grandparents, spouse, children, brothers, sisters, step-parents and grandchildren of the employee, mother-in-law, father-in-law, daughter-in-law and son-in-law.

- 16.04 If an employee is selected for jury duty or fire fighting, the Company shall grant the employee leave of absence with pay, such pay to the difference between his regular basic rate for an eight (8) hour day and the monies received for jury duty or fire fighting.

ARTICLE 17 - WAGES AND CLASSIFICATIONS

- 17.01 Schedule "1" contains rates of pay and classifications for the life of this Agreement.
- 17.02 If an employee is transferred to a job with a higher or lower rate of pay in any day, then he shall be paid the higher rate for the shift.
- 17.03 Where a job classification which is not included in Schedule "1" comes into existence or where the content of the job classification is materially changed, the Company shall fix an appropriate wage rate for such job classification. If the Union considers such rate is not appropriate, it shall so notify the Company and the parties shall endeavour to agree upon the rate; Failing this the rate shall be determined by arbitration and the arbitrators shall determine the rate in a manner they consider appropriate, having regard to other job classifications in Schedule "1".

ARTICLE 18 - APPRENTICESHIP

- 18.01 The Company agrees to support an apprenticeship program in accordance with the Act of the Yukon Territory. Upon application, the choice and number of apprentices will be subject to the approval of the Company.
- 18.02 While attending the apprenticeship school as prescribed by the Apprenticeship Board, the Company will pay, upon proof of attendance, the difference between the apprentice's normal weekly earnings and that amount paid by the Government.
- 18.03 Apprentices will have two (2) consecutive determinations to establish their qualifications and ability. Two consecutive failures on the foregoing determinations by the apprentice will automatically cancel the apprenticeship contract held by the apprentice. A third determination may be granted at the Company's discretion.
- 18.04 Time spent in attendance of classes as prescribed by the Apprenticeship Board shall be considered a part of the apprentice year.
- 18.05 Rate increases are contingent upon successful completion of the previous year's apprenticeship examination.
- 18.06 Employees who now hold journeyman status in that trade shall not be eligible for the apprenticeship program.
- 18.07 The apprenticeship pay schedule shall be as follows:

a) **Mechanics and Partsmen**

6 months	65%
12 months	70%
18 months	75%
24 months	80%
30 months	85%
36 months	90%
42 months	95%
48 months	100%

18.08 Time spent in pre-apprenticeship training will be treated as time worked for the purposes of this Article.

ARTICLE 19 – RRSP

19.01 In addition to the current RRSP plan, the Company agrees to contribute on a monthly basis, forty dollars (\$40.00) into a RRSP account for each employee. This benefit will be paid to the employees whether or not they contribute any monies to the plan.

ARTICLE 20 - TERM OF AGREEMENT

20.01 This Agreement shall be effective from February 1, 2005 up to and including January 31, 2008 and thereafter from year to year unless written notice of intent to terminate or amend the Agreement at the expiration of any yearly period is given by either Party to the other party during the period beginning on August 1, and ending on October 31, of any year commencing 2004.

20.02 During the period of negotiations and until the parties have fulfilled all statutory requirements with respect to the conclusion of a new Collective Agreement or amendment to this Collective Agreement, this Agreement shall continue in full force and effect.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals, on the day and year first above written, and effective as of the first day of February, 2005.

Signed this _____ day of _____, 2005.

INLAND KENWORTH LIMITED

**UNITED STEELWORKERS
(ON BEHALF OF LOCAL UNION 925)**

SCHEDULE "1"

WAGE SCHEDULE

	<u>Feb1/05</u> 3.5%	<u>Feb 1/06</u> 3.5%	<u>Feb 1/07</u> 3.5%
Maintenance Support Staff (Janitor)	16.73	17.32	17.93
Shipper/Receiver	65% of Journeyman's wages		
Apprentice Partsman	As per Apprenticeship Program		
Journeyman Partsman	26.77	27.71	28.68
Apprentice Mechanic	As per Apprenticeship Program		
Mechanic	26.73	27.67	28.64
Journeyman Mechanic With Ticket	29.05	30.07	31.12
Field service work Lead Hand Chargehand	\$1.80/hour extra + 2% above rates +3% above rates		

Transportation Costs

On June 1st of each year of the Collective Agreement, the Company agrees to pay a travel allowance to each employee of \$1,000.00.

LETTER OF UNDERSTANDING NO. 1

BETWEEN: INLAND KENWORTH LTD.

(Hereinafter referred to as "The Company")

**AND: UNITED STEELWORKERS
(ON BEHALF OF LOCAL UNION 925)**

(Hereinafter referred to as "The Union")

WHEREAS The parties are agreed as follows:

Service Shop

All employees hired in the capacity of:

- Probationary Mechanic
- Mechanic
- Journeyman Mechanic

are requested to obtain an air endorsement on their driving licence for the purpose of vehicle road testing, within six (6) months after hiring subject to course availability. The Company will pay the cost of the course.

Signed this _____ day of _____, 2005.

INLAND KENWORTH LTD.

**UNITED STEELWORKERS
(ON BEHALF OF LOCAL UNION 925)**

LETTER OF UNDERSTANDING NO. 2

BETWEEN: INLAND KENWORTH LTD.

(Hereinafter referred to as "The Company")

**AND: UNITED STEELWORKERS
(ON BEHALF OF LOCAL UNION 925)**

(Hereinafter referred to as "The Union")

WHEREAS The Parties agree as follows:

Communications

Communications between employee and employee's family allowed when employee working away from home base for more than 8 hours.

Parameters of this communication have been discussed and agreed on.

Signed this _____ day of _____, 2005

INLAND KENWORTH LIMITED

**UNITED STEELWORKERS
(ON BEHALF OF LOCAL UNION 925)**

LETTER OF UNDERSTANDING NO. 3

BETWEEN: INLAND KENWORTH LTD.

(Hereinafter referred to as "The Company")

**AND: UNITED STEELWORKERS
(ON BEHALF OF LOCAL UNION 925)**

(Hereinafter referred to as "The Union")

WHEREAS The Parties agree as follows:

Re: Article 11.04 c)

The Company will continue to assist employees in obtaining mutually agreed on manuals. Authorization must be given by Parts or Service Managers.

Signed this _____ day of _____, 2005

INLAND KENWORTH LIMITED

**UNITED STEELWORKERS
(ON BEHALF OF LOCAL UNION 925)**

LETTER OF UNDERSTANDING NO. 4

BETWEEN: INLAND KENWORTH LTD.

(Hereinafter referred to as "The Company")

**AND: UNITED STEELWORKERS
(ON BEHALF OF LOCAL UNION 925)**

(Hereinafter referred to as "The Union")

WHEREAS The Parties agree as follows:

Employees other than mechanics who are requested to be "on call" over the weekend and who are requested to monitor calls through the use of a pager which is supplied by the company will be compensated at the rate of two hours at two times the employee's regular rate of pay. Such monitoring shall be on a voluntary basis.

It is understood and agreed that Employees other than mechanics who work on call-outs on the weekend and whose wages exceed the call-out allowance above, shall not be entitled to the call-out allowance. Should the wages for call-out be less than the call-out allowance, the Employee shall be entitled to a total amount equal to two hours at two times the employee's regular rate of pay.

Signed this _____ day of _____, 2005.

INLAND KENWORTH LIMITED

**UNITED STEELWORKERS
(ON BEHALF OF LOCAL UNION 925)**

LETTER OF UNDERSTANDING NO. 5

BETWEEN: INLAND KENWORTH LTD.

(Hereinafter referred to as "The Company")

**AND: UNITED STEELWORKERS
(ON BEHALF OF LOCAL UNION 925)**

(Hereinafter referred to as "The Union")

WHEREAS The Parties agree as follows:

RE: MECHANICS ON CALL

Employees will be compensated at the rate of 2.5 hours at double time for carrying the Company provided cell phone on the weekend and a minimum of 2.0 hours at double time for all time called out to work.

This system will be done on a rotating basis. Each mechanic must carry the cell phone for a weekend and respond to any call outs.

Any mechanic not wanting to be on call on any particular weekend must make arrangements to have another mechanic carry the cell phone.

During any long weekend the amount to carry the cell phone will increase to 3.0 hours at double time.

Signed this _____ day of _____, 2005.

INLAND KENWORTH LIMITED

**UNITED STEELWORKERS
(ON BEHALF OF LOCAL UNION 925)**

LETTER OF UNDERSTANDING NO. 6

BETWEEN: INLAND KENWORTH LTD.

(Hereinafter referred to as "The Company")

**AND: UNITED STEELWORKERS
(ON BEHALF OF LOCAL UNION 925)**

(Hereinafter referred to as "The Union")

WHEREAS The Parties agree as follows:

RE: RETIREMENT POLICY

All employees must retire no later than the date of their sixty-fifth (65th) birthday.

Retirement Gift:

15-20 years service	\$1,500 Travel Certificate
20 years and over	\$2,500 Travel Certificate

Travel Certificate will be issued by the Company Travel Agent.

Signed this _____ day of _____, 2005.

INLAND KENWORTH LIMITED

**UNITED STEELWORKERS
(ON BEHALF OF LOCAL UNION 925)**

LETTER OF UNDERSTANDING NO. 7

BETWEEN: INLAND KENWORTH LTD.

(Hereinafter referred to as "The Company")

**AND: UNITED STEELWORKERS
(ON BEHALF OF LOCAL UNION 925)**

(Hereinafter referred to as "The Union")

WHEREAS The Parties agree as follows:

Re: Mandatory Retirement at Age 65

This will confirm agreement between the parties that Gerry Miller will be exempt from the new policy of mandatory retirement at age 65.

Signed this _____ day of _____, 2005.

INLAND KENWORTH LIMITED

**UNITED STEELWORKERS
(ON BEHALF OF LOCAL UNION 925)**

