

COLLECTIVE AGREEMENT

BETWEEN

**GRACE CANADA, INC.
GRACE PERFORMANCE CHEMICALS (GPC)**

AND

TEAMSTERS LOCAL UNION No. 213

May 1st, 2004 - April 30th, 2007

DON MCGILL

Secretary-Treasurer

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GRACE PERFORMANCE CHEMICALS (GPC)**

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- 2:01 The Company recognizes the Union as the sole bargaining agent for the employees covered by the certification and working at the classified occupations listed in Schedule "A" and for such other employees as may be assigned to new classifications coming under the Union's jurisdiction.
- 2:02 All employees covered by this Agreement must be or become members in good standing of the Union.
- 2:03 Any employee within the Bargaining Unit who does not remain a member in good standing shall not be retained in the employment of the Company.
- 2:04 Any employee who has been laid off for any reason and who does not retain his membership in the Union will not retain his seniority with the Company.

Authorization of Deductions:

- 2:05 New employees shall be required to sign authorization cards for the deduction of initiation fees, dues and assessments as required by the Union. Such deduction shall be forwarded to the Union not later than the last business day of the month in which these deductions were made. It is understood that dues are payable monthly in advance. Dues shall be deducted from the second pay period of the month previous to the month for which they are applicable.
- 2:06 It shall not be a violation of this Agreement or cause for discharge if any employee refuses to cross a picket line.

Unfair Declaration:

- 2:07 It shall not be a violation of this Agreement or cause for disciplinary action for any employee to refuse to handle, receive, ship or transport any materials or equipment considered unfair by the Union or the Building Trades Councils of British Columbia, or to work with or to receive from any persons who are considered unfair by any of the said Building Trades Councils. Whenever the Union has information concerning any such unfair declaration, it shall immediately notify the Company prior to taking any action as per this clause.

Strike and Lockout:

- 2:08 During the term of this Agreement there shall be no lockout by the Company, and no strike, stoppage of work, or slow-down, either partial or general, authorized by the Union.

Shop Stewards:

2:09 One or two Shop Stewards will be recognized by the Company and shall not be discriminated against for lawful Union activity. The Company will be notified by the Union of the name of such Shop Stewards. The Shop Stewards will be permitted to take up grievances, during working hours, but whenever possible, grievance investigations will be held so as not to interfere with the work. Executive officers of the Union or Shop Stewards, who are required to attend meetings at the call of the Union, shall be allowed time off by the Company.

Union Rights:

2:10 In the carrying out of regular duties, Business Representatives of the Local Union shall have access to Company premises covered by this Agreement. Notice is to be given to available Manager or Superintendent prior to visiting the Company's premises.

ARTICLE 3 - HIRING

3:01 When new employees or replacement employees for the bargaining unit are required, only Union members having the qualifications as outlined by the Employer for the vacancy shall be hired. These qualifications shall be confirmed by the Union dispatch office before the person is employed. When qualified Union members are not available, then the Employer may obtain qualified employees elsewhere. Employees hired elsewhere shall have thirty (30) calendar days in which to become a member of the Union.

Contract and Hired Trucking:

3:02 The Company agrees that if cartage work is presently performed by members of the bargaining unit, it will not be let out to contract or carried out by hired equipment if appropriate Company equipment is available for this work and members of the bargaining unit normally performing this work would be laid off as a result.

3:03 The Company, when hiring trucks for its own use from its own B.C. location, will hire from companies or Owner Operators with employees under Agreement to the Teamsters Union.

Contract Work:

3:04 The Company agrees that work presently performed by members of the bargaining unit will not be let out to contract if Company employees are available for this work, and no employee of the bargaining unit will be laid off as a result.

Union Products and Services:

3:05 The Company agrees to contract any supply of services only with companies under agreement to a Teamsters Local Union. This shall be limited to only Disposal Services, Courier Services, Vending Machine Services, and Security Guard Services, providing these firms are competitive with other unionized services.

ARTICLE 4 - NEW CLASSIFICATIONS

Rates and Effective Dates:

4:01 The Company shall notify the Union when any new classification coming under the jurisdiction of this Agreement is added. The Union and the Company shall negotiate the rate to be established, and that rate, once

established, shall be retroactive to the introduction date of the new classification.

ARTICLE 5 - DISCHARGE OF EMPLOYEES

Discharge:

5:01 The Company has the right to discharge any employee for just cause. Employees shall be notified of the reason for their dismissal.

ARTICLE 6 - MANAGEMENT RIGHTS

Management:

6:01 The Company retains the right to select its employees, to hire, discharge, transfer, demote or discipline them; provided that a claim of discrimination against any employee may be the subject of a grievance and dealt with as hereinafter provided.

6:02 The Union recognizes the exclusive right of the Company to operate and manage its business in all respects, subject to the provisions of this Agreement.

6:03 The Company also reserves the right to supplement and alter from time to time, rules and regulations to be observed by the employees, said regulations and rules not being inconsistent with the provisions of this Agreement.

ARTICLE 7 - WAGES AND WAGE STATEMENT

Wages:

7:01 (a) The Company shall pay wages to every employee covered by this Agreement at the hourly rates contained in Schedule "A" for the various classifications listed therein. These rates are minimum rates. The Schedules shall be deemed to be contained in and form part of this Agreement.

(b) The Grace Pay-For Performance Plan ("Plan") will continue to be applicable to all hourly employees assigned to the Vancouver, British Columbia facility, who are represented by the Union.

(c) The Union hereby specifically acknowledges and agrees that the Company has the unilateral right to revoke, terminate, suspend or modify the Plan at any time. The Union hereby waives all rights or claims of right to bargain or to arbitrate with respect to the Plan, or with respect to the application, interpretation, or amendment or

termination of the Plan, and further agrees that it will not attempt to require the Company to bargain or arbitrate over such matters.

Statement:

- 7:02 The Company will provide every employee covered by this Agreement with a separate detachable written or printed itemized statement in respect to all payments made to such employee by the Company. Such statement shall show the regular hours worked, the total overtime hours worked, the rate or rates applicable, the gross amount of wages, vacation pay, and pay for statutory holidays and all deductions made therefrom.
- 7:03 Day shift employees shall be paid every Friday, and afternoon shift employees every Thursday afternoon for wages earned in the preceding work week unless delayed by emergency circumstances beyond the Company's control.
- 7:04 Vacation pay will be paid by a separate cheque.
- 7:05 If an employee is terminated by the Company, all monies due will be mailed from the Company Payroll Office to the employee's residence within seventy-two (72) hours, excluding Saturday, Sunday and Holidays.
- 7:06 If an employee terminates of his own accord, he will be paid on the next scheduled pay day.
- 7:07 In the event the Savings and Investment Plan in Schedule "B" is terminated or the benefit to the employee decreased under operation of the procedure in Schedule "D", the wages of the employees shall be increased by two percent (2%) or proportionately modified on the effective date of the S & I termination or modification.

ARTICLE 8 - HOURS OF WORK AND OVERTIME

Hours of Work:

- 8:01 The regular work week for all employees covered by this Agreement will consist of five (5) consecutive eight (8) hour days commencing on Monday and ending on Friday.
 - Day Shift - Shall commence not earlier than 7:00 a.m. and finish not later than 4:30 p.m.
 - Afternoon Shift - Shall commence not earlier than 3:00 p.m. and shall finish not later than 12:00 p.m.

Graveyard Shift - Shall commence not earlier than 11:30 p.m. and shall finish not later than 8:00 a.m.

8:02 The work day shall be an eight (8) hour period, including a maximum of one-half (1/2) hour meal break which will be staggered mid shift so as to provide for continuous plant operation.

Daily Guarantee:

8:03 An employee who is called out to work shall be paid not less than four (4) hours' wages.

8:04 An employee called back after having worked that day or his shift shall receive a minimum of four (4) hours' pay at double time (2x) rates.

8:05 Employees shall be notified prior to completion of their shift or leaving the premises, if they are not required the following day and in such cases shall not report until recalled. Provided that in cases where the plant cannot operate due to power failure, fire or emergencies beyond the Company's control, notifications not to report may be given after leaving the premises and before reporting for the shift.

Early Start:

8:06 An employee shall be paid overtime rates for those hours worked prior to his regular starting time. In addition to his overtime hours, an employee will be paid his regular rate from his regular starting time as per his daily guarantee.

Late Start:

8:07 (a) Employees called in after their regular starting time shall receive pay from their regular starting time. Employees so called shall be allowed up to one-half (1/2) hour to report to work unless reasonable circumstances warrant a longer reporting time being allowed.

Break Between Shifts:

(b) Ten (10) hours shall be the minimum break between an employee's finishing time and his following starting time, otherwise overtime rates shall prevail for the shift.

Daily Overtime:

8:08 All overtime shall be voluntary.

- 8:09 All time worked immediately prior to and/or immediately following the employee's regular hours shall be totalled and paid at double time (2X).
- 8:10 If overtime is worked, it shall be divided as evenly as possible, and every attempt will be made by the Company to distribute overtime on an equal percentage basis to the employees straight-time worked, subject to the qualifications of the employees and the nature of the work to be performed. Should an employee refuse to work overtime, said hours shall be regarded as overtime hours worked for the purpose of calculating his percentage of eligible overtime hours. Seniority shall prevail.

Normal Days Off:

- 8:11 Double time (2X) shall be paid for all hours worked on a Saturday and Sunday.
- 8:12 Additional shifts shall not commence more than one (1) hour prior to the end of the previous shift.
- 8:13 When additional shifts are required, a two (2), three (3) or four (4) week swing shift shall, wherever possible, be established.
- 8:14 The senior employees shall have first choice as to which shift they shall start at, and will then rotate. This rotation will continue if the time since the last period of shift work is less than thirty (30) calendar days. However, the Company retains the right to assign employees out of seniority where special skills are required in its judgement.
- 8:15 An employee may elect to have any overtime up to a maximum of forty (40) hours at any given time banked to his credit. The employee will have the option at the time the overtime is worked to bank it or be paid for it with the next pay. Banked overtime will be accrued January 1st to June 30th and July 1st to December 31st each year. Overtime once banked shall be utilized as follows:
- (i) it shall be taken as time off during the period in which it was banked;
 - (ii) if not taken as time off it shall be paid out on the first pay following the end of the period in which it was banked.

The pay-out of all or part of banked overtime hours prior to the end of a period will not be permitted.

Application for time off will be in accordance with the following:

- (i) Application for time off will normally be received two (2) weeks in advance of the date of absence and will be subject to the approval of the Plant Manager.
- (ii) In the case of an emergency an employee may be permitted to use banked overtime without having given the required two (2) week notice provided that the Plant Manager agrees.
- (iii) Banked overtime can be taken during peak vacation periods (i.e. summer, Christmas, Easter only after all other employees have had an opportunity to schedule their vacation time.
- (iv) Banked overtime leave will not be approved where additional costs will result for the Company or Company service will suffer.
- (v) Banked overtime must be taken in periods not less than one (1) working day (i.e. 8 hours) in length. In the case of an emergency an employee may be permitted to take four (4) hours from his overtime bank. In no instance can overtime be taken as less than a four (4) hour period.

ARTICLE 9 - SENIORITY

Probationary Period:

9:01 All new employees shall have a probationary period of twenty-one (21) days worked or thirty (30) calendar days, whichever comes first.

Seniority List and Classification:

9:02 The Company shall keep on its premises an up-to-date list of all employees covered by this Agreement, showing the date when each commenced his employment, classification, hourly rate, and social insurance number. The Company will forward a copy of this list to the Union at least once every three (3) months and it shall be attached to the check-off list.

Lay Off and Re-Hire:

9:03 In all cases of promotion, layoff and re-hiring after layoff, the following factors shall be considered:

- (a) Length of continuous service.
- (b) Qualifications to do the work to be performed.

Job Posting:

- 9:04 The Company shall post and keep posted for not less than seventy-two (72) hours, or three (3) consecutive working days, in a conspicuous place, at each place of business maintained by the Company, notice of vacant positions, new positions and promotions within the bargaining unit. Any employee of the Company covered by this Agreement may apply for any such vacant or new position and the Company shall fill such position with the applicant employee who has the greatest overall seniority, provided that such employee is reasonably qualified and reasonably competent to do the work.
- 9:05 Any employee capable of performing the job and who previously worked at the classification as a posted employee or a trained employee who posted for a training position may be given preference.
- 9:06 The successful applicant shall be on probation in his new job for twenty-one (21) working days during which time he may be returned to his former job if the Employer finds he is not making satisfactory progress or if he applies to the Company to be returned. The Union shall receive copies of all the postings and the assignments of such postings.
- 9:07 No employee may change job positions through the posting procedure more than three (3) times in any twelve (12) month period. Any subsequent postings to be reviewed by Union and Management.

New Employee Seniority Re-Qualify:

- 9:08 Any new employee who, in the twelve (12) month period from his first day of employment with the Company, is not employed for a greater period than six (6) months, shall not be credited with seniority for the period worked and, if re-hired, shall be considered as a new employee.

Loss of Seniority:

- 9:09 It is agreed that an employee's seniority shall be lost upon the occurrence of any one of the following events:
- (a) Where an employee voluntarily leaves his employment with the Company.
 - (b) Where an employee is discharged by the Company.
 - (c) Where an employee is laid off and does not retain his membership in the Union.

- (d) Where an employee is laid off for a period in excess of twelve (12) months or is absent for any reason in excess of twenty-four (24) consecutive months.
- (e) Where an employee is recalled to work after layoff and fails to report within forty-eight (48) hours from the date of such recall.
- (f) Where an employee is absent without leave for a period of three (3) consecutive days, except in the case of unavoidable circumstances and the employee has immediately advised the Company of the existence of such circumstances.

9:10 Should an employee properly sent notification by registered mail not report for work then his name will be removed from the seniority list. Those employees affected by a layoff shall keep the Company advised of their current address and available telephone number. If an employee is laid off for a period of thirty (30) calendar days or more, the employee shall be given a maximum of seven (7) working days to report for work.

ARTICLE 10 - STATUTORY HOLIDAYS

Entitlement:

10:01 Every employee covered by this Agreement who has been regularly employed for thirty (30) calendar days preceding a Statutory Holiday shall receive a day's pay at his regular rate for New Year's Day, Good Friday, Easter Monday, Victoria Day, Canada Day, British Columbia Day, Labour Day, Thanksgiving Day, Remembrance Day, Christmas Day, Boxing Day, and any other holiday proclaimed by the Provincial or Federal Government, provided however, that the employee shall have worked his scheduled work day immediately preceding such holiday and his scheduled work day immediately following such holiday, unless express permission to be absent shall be obtained from his Superintendent. Any employee required to work on any of the above holidays shall receive double time (2X) in addition to the day's pay.

10:02 In addition to the above listed Statutory Holidays, there will be one (1) Floating Holiday, as designated by the Company, which will be combined with the Christmas or New Year's Holiday.

10:03 Statutory Holidays falling on a Saturday or Sunday will be observed on the preceding Friday or following Monday, as designated by the Company. In the event that both Saturday and Sunday are Statutory Holidays, then the two (2) preceding or following days, or the Friday and Monday, will be observed, as designated by the Company.

ARTICLE 11 - ANNUAL VACATIONS

11:01 Each employee who has completed one (1) year's continuous service in the employ of the Company, and has worked a minimum of thirteen hundred (1300) hours for the Company during this period shall be entitled to two (2) consecutive weeks vacation with pay equal to two (2) full weeks straight time pay at the employee's regular rate or four and one half percent (4-1/2%) of annual gross earnings, whichever is greater.

11:02 Each employee who has completed three (3) years of continuous service in the employ of the Company and has worked a minimum of thirteen hundred (1300) hours for the Company during the preceding twelve (12) months shall be entitled to three (3) consecutive weeks vacation with pay equal to three (3) full weeks straight time pay at the employee's regular rate, or seven percent (7%) of annual gross earnings, whichever is greater.

11:03 Each employee who has completed ten (10) years of continuous service in the employ of the Company and has worked a minimum of thirteen hundred (1300) hours for the Company during the preceding twelve (12) months shall be entitled to four (4) consecutive weeks vacation with pay equal to four (4) full weeks straight time pay at the employee's regular rate, or nine percent (9%) of the annual gross earnings, whichever is greater.

11:04 Each employee who has completed twenty (20) years of continuous service in the employ of the Company and has worked a minimum of thirteen hundred (1300) hours for the Company during the preceding twelve (12) months shall be entitled to five (5) consecutive weeks vacation with pay equal to five (5) full weeks straight time pay at the employee's regular rate, or ten percent (10%) of the annual gross earnings, whichever is greater.

11:05 (a)

Years of Service	Length of Vacation	Payment (Whichever is greater)
1 year to 3 years less a day	2 weeks	2 full weeks or 4½ % annual gross earnings
3 years to 10 years less a day	3 weeks	3 full weeks or 7% annual gross earnings
10 years to 20 years less a day	4 weeks	4 full weeks or 9% annual gross earnings
20 years and over	5 weeks	5 full weeks or 10% annual gross earnings

- (b) In the event any vacation improvements for salaried employees, such as a sixth (6th) week of vacation, shall be extended to unionized hourly employees, based on the same eligibility requirements.
- 11:06 Employees who do not qualify as per Article 11:01, 11:02, 11:03, 11:04, and 11:05 as a result of work related injuries and/or illness or being absent on Workers' Compensation, sick leave credits, jury duty, or Weekly Indemnity shall be credited the lost hours to qualify for the 1300 hours as per the provision in Article 11:01, 11:02, 11:03, 11:04, and 11:05. The employees shall receive vacation pay based on four and one half percent (4 1/2%) or seven percent (7%) of their earnings for hours actually worked.
- 11:07 Employees shall take their annual vacation within the calendar year they are entitled to the said vacation.
- 11:08 Should the Company request employees who are on vacation to return to work during their vacation period, the Company shall pay the said employees wages equivalent to those paid for working Statutory Holidays.
- 11:09 The Company will endeavour to work with the Union in an effort to increase the number of employees allowed off at any one time for vacations. The Company has the right to schedule a plant vacation shutdown between June 23 and September 1 in any year, upon sixty (60) days' prior notice to the employees of the shutdown date.
- 11:10 The Company shall post a vacation calendar for the benefit of the employees. All employees shall have eight (8) weeks to register their vacation period according to seniority. After the aforementioned period, vacations shall be allocated by the Company as applied for by the employees.
- 11:11 Employees taking their annual vacation between November 1 and February 28, at the Company's request, shall be entitled to an additional one (1) week's holiday, with pay. Such requests will be made in writing by the Company, a copy of which will be forwarded to the Union.
- 11:12 In case of an illness that requires documented admission to a hospital, employees shall be entitled to apply for sick leave and reschedule their vacation.

ARTICLE 12 - GENERAL WORKING CONDITIONS AND RULES

Meal and Work Breaks:

- 12:01 A half (½) hour meal break will be taken approximately midway in each shift. The Company will not require any employee covered by this

Agreement to work more than four and one-half (4 ½) consecutive hours at any time without such half (½) hour meal break.

- 12:02 Should the meal period not be taken at the request of the Company, then the employee shall be entitled to an additional half hour (1/2) to be added to his time for the day.
- 12:03 Where overtime preceding or following the employee's normal shift goes beyond two (2) consecutive hours, the employee shall be paid six dollars (\$6.00) to cover the cost of the meal. The time spent eating such meal shall not exceed thirty (30) minutes and shall be considered as time worked if engaged in production work after his meal.
- 12:04 Should overtime continue beyond four (4) hours following the time allowed for a meal break, then a further meal break shall be allowed with the same conditions as outlined above.
- 12:05 This condition shall be repeated each four (4) hours.
- 12:06 A coffee break shall be allowed each employee of the Company as close to midway of the first half of the shift and as close to midway in the second half of the shift as possible. Time allowed for coffee breaks shall be fifteen (15) minutes each, and shall be staggered in order to allow continuous plant operation. If overtime is to be worked at end of shift in excess of thirty (30) minutes, the employee having to work shall be given fifteen (15) minutes coffee break before commencing overtime.

Labour Management:

- 12:07 The Company shall establish or continue during the term of this Agreement a Labour Management Committee, which shall meet during working hours, at least once each month. A senior representative of management, or his delegate, shall attend these meetings.

Safety Meetings:

- 12:08 The Company shall establish or continue a Safety Committee of which management personnel shall not outnumber Union members. This Committee may meet in conjunction with the Labour Management Committee and shall operate as required by the Workers' Compensation Board regulations.

Safety Equipment:

12:09 Whenever the Company or the Workers' Compensation Act regulations require equipment to be used on the job, such equipment shall be provided by the Company at no cost to the employee. The employee shall be held responsible for such equipment and shall be charged for any damage or loss for which he can reasonably be held responsible.

12:10 Drivers or operators shall not be required to operate any equipment which, in the operator's opinion, violates safety requirements. It shall be the driver's responsibility to report in writing to the Management or Supervisor any equipment considered unsafe. Such vehicle shall be tagged "OUT OF SERVICE" until properly repaired.

On Job Injury:

12:11 When an employee meets with a personal accident or injury while performing his regular duties, or on Company business, as a result of which the employee is unable to work, the employee shall be paid his full day's wages for the day of the accident or the injury.

Time Off Re: Accidents:

12:12 Should an employee be involved in an accident while on Company time, or with a Company vehicle, he shall be allowed time off without loss of pay to go to Court or any other agency as may be required. The Company will supply representation for the employee if there is any possibility of the Company being involved in any action because of the accident. The above to apply if required to appear as a witness on behalf of any case or accident as outlined above.

Jury Duty:

12:13 The Company shall continue to pay any employee whose absence is due to serving Jury Duty, provided however, that all sums received by way of payment for Jury Duty shall be payable to the Company, to the end that no employee shall receive both his regular applicable rate and Jury Duty Pay.

12:14 It is agreed that employees must make themselves available for work when not required to be in attendance as jurors.

Bereavement Leave:

12:15 Three (3) straight eight (8) hour days off work will be paid for by the Company upon the request of a regular employee following a death in his immediate family. The days will be given directly following the death in order that the employee may settle the affairs of the deceased and attend the services. Immediate family shall be defined to include a wife, husband, son,

daughter, mother, stepmother, mother-in-law, father, stepfather, father-in-law, brother, sister, grandfather, or grandmother. In addition, if the employee is notified of the death while he is working, he will be excused from, and paid for, the balance of that working shift and such time shall not be charged against the three (3) days of leave. Granting of bereavement leave for relatives or dependents other than those described above shall be at the discretion of the Company, and the Union will be so advised.

Leave of Absence:

- 12:16 (a) Leave of Absence shall be granted by mutual agreement between the Company and the Union and shall not be unreasonably withheld. All applications for leaves of absence must be made in writing. All applications will be replied to in writing and a copy of such will be remitted to the Union. Employees' seniority protection shall be in accordance with the Union regulations.
- (b) **Parental Leave - Birth**
- Within thirty (30) days of the birth of a child, a full-time employee shall, upon application to the Company, be entitled to three (3) consecutive days paid parental leave. Such leave shall be charged against the full-time employee's sick leave.
- (c) Any employee hereunder on leave of absence engaged in gainful employment, without prior written permission from both the Company and the Union, shall forfeit his seniority and his name will be stricken from the seniority list and he will no longer be considered as an employee of the Company.
- (d) Parental Leaves as per the Employment Standards Act.

Medical Examinations:

- 12:17 The Company shall pay employees for the time required at the standard regular rate who are requested by the Company to take a physical examination. The examination shall be during working hours.
- 12:18 Employees returning to work following an injury or accident, and who were on Workers' Compensation, and are unable to perform their regular duties, shall whenever possible be retrained and reassigned according to their seniority to other duties within the bargaining unit at the scheduled rates so that the employees do not lose their employment with the Company.

Working on Construction:

12:19 In the event that the Company should require any employee covered by this Agreement to engage in work on new construction, in the confines of a construction site or the Company premises and for which more favourable wage rates than those herein contained are paid, such employee shall be entitled to be paid the more favourable wage rate while he is so engaged.

Higher Classification:

12:20 If an employee starts his day's work he shall not be paid less than his regular hourly rate. If work is to be made available at a lower classification, he shall be notified the day previous.

12:21 If an employee works at a classification of a higher rate for up to two (2) hours, he shall be paid a minimum of four (4) hours at the higher rate, and if he works at a classification of a higher rate for more than two (2) hours, he shall be paid the higher rate for the whole shift.

Washrooms and Lunchrooms:

12:22 The Company agrees to maintain in its premises, adequate, clean, sanitary washrooms having hot and cold running water and toilet facilities. In addition, there shall be provided adequate heated lunchrooms which shall be kept clean and tidy by the employees.

12:23 The Company agrees to supply coveralls at no cost to the employees. The coveralls will be of proper fit and will be cleaned and replaced on a regular basis at no cost to the employees. After one (1) year of service the Company shall provide a one hundred dollar (\$100.00) annual allowance on a yearly basis for safety shoes from a Company-Approved Vendor. Effective May 1, 2003 such allowance shall be increased to one hundred and twenty dollars (\$120.00).

ARTICLE 13 - GRIEVANCE PROCEDURE

Qualifying Period:

13:01 If, during the term of this Agreement, there should arise a complaint between the Company, the Union or an employee bound by this Agreement concerning its interpretation, application, operation, or any alleged violation of the terms of the provisions thereof, an earnest endeavour shall be made to settle the grievance promptly between the representative of the Company and the Union. Where a grievance refers to a particular occurrence or incident other than a payroll error, no consideration shall be given to either party unless such grievance is submitted within fifteen (15) days from the

date of the alleged grievance excluding Saturday, Sunday and holidays in calculating elapsed time. In the case of payroll errors, the time limit will be sixty (60) calendar days.

Time to Resolve Dispute:

13:02 In the event that the said representatives fail to reach a satisfactory settlement within seven (7) working days after the grievance was submitted to them, it shall then be reduced to writing and discussed between the Shop Steward, the Union representative and the District Manager. If these representatives fail to reach a satisfactory settlement within seven (7) working days, or within such longer time as the Parties agree to, it shall then be referred to an Arbitration Board of three (3) persons as follows:

Arbitration:

13:03 The Party desiring arbitration shall appoint a Member for the Board and shall notify the other Party in writing of its appointment, and particulars of the matter in dispute.

13:04 The Party receiving the notice shall within five (5) working days thereafter, appoint a Member for the Board and notify the other Party of its appointment.

13:05 The two arbitrators so appointed shall confer to select a third person to be Chairman and failing for seven (7) working 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 as Chairman.

13:06 The Arbitration Board after receiving the grievance in writing shall sit, hear the Parties, settle the terms of the question to be arbitrated, and make its award within ten (10) working days from the date of the completion of the hearing, provided the time may be extended by agreement of the Parties.

13:07 The Board of Arbitration shall have the power to arbitrate differences between the parties to this Agreement concerning the interpretation, application, operation, or any alleged violation of the Agreement, including any question as to whether any matter is arbitrable, but shall not have jurisdiction or authority to alter, modify, extend, or amend the provisions of this Agreement.

Suspension or Discharge:

- 13:08 If the Arbitration Board finds (or if at an earlier stage of the Grievance Procedure, it is found) that an employee has been unjustly suspended or discharged, that employee shall be reinstated by the Company without loss of pay and with all his rights, benefits and privileges which he would have enjoyed if the suspension or discharge had not taken place AND PROVIDED THAT the Arbitration Board, if circumstances are established before it, which in the opinion of the Arbitration Board, makes it just and equitable to do so, shall have the authority to order the Employer to pay less than the full amount of wages lost.
- 13:09 The Arbitration Board shall have the power to substitute a suspension in lieu of a discharge.
- 13:10 The award of the Arbitration Board shall be final and binding upon both Parties.

Cost of Chairman:

- 13:11 The expenses and remuneration of the Chairman shall be paid by the Parties in equal shares.

ARTICLE 14 - HEALTH AND WELFARE AND PENSION PLANS

Health and Welfare Plan:

- 14:01 The Company agrees to provide a Health and Welfare Plan and Dental Plan as per Schedules attached.

Pension Plan:

- 14:02 During the term of this contract, the Company agrees to make available to employees the Retirement Plan for Hourly Employees of Grace Canada, Inc. Grace Performance Chemicals, Construction Products Division, subject to the eligibility requirements and other terms of the Plan in force as of the effective date of this Agreement.
- 14:03 Employees will be notified of the terms and conditions, or any amendments of the Plan.

Sick Leave:

- 14:04 Paid sick leave will be accumulated at the rate of one (1) day per month to a maximum of thirty (30) days. Such leave will not be paid until the employee has acquired a minimum of one (1) year's seniority with the Company.

Effective May 1st, 1991 the one (1) day per month will become six (6) hours per month.

14:05 Sick leave credits will not be accumulated for periods of layoff or leave of absence. A sick leave credit will not be accumulated for any month when absence due to illness or accidents in that month results in this benefit being paid. Application for this benefit will be made by employee on a form supplied by the Company.

14:06 When an absence, due to sickness or accident, is not covered for payment by either the Weekly Indemnity, as per Schedule attached or Workers' Compensation, employees shall draw on time accumulated as follows:

First (1st) Day to Seventh (7th) Day - one full day's pay for each day of absence.

The balance of accumulated sick leave will be applied at the full daily rate for each day that the employee's absence exceeds the Weekly Indemnity period.

14:07 Any abuse to this benefit shall be cause for immediate discharge. The Employer has the right to require a medical certificate from the employee for sick leave benefits.

14:08 An employee who has accumulated eighty (80) hours of paid sick leave under Article 14:04 by December 1st, may elect to buy back a cash equivalent of up to five (5) days at the basic rate of pay as of December 1st. Such buy back to be paid on a separate cheque.

ARTICLE 15 - INTRODUCTION OF TECHNOLOGICAL CHANGE, RETRAINING & SEVERANCE<< Table of Contents will generate here >>

- 15:01 (1) Where an Employer introduces or intends to introduce a technological change that
- (a) affects the terms, conditions or security of employment of a significant number of employees to whom a collective agreement applies; and
 - (b) alters significantly the basis on which a collective agreement was negotiated, either party may refer the matter to an arbitration board under the collective agreement, or pursuant to Part 6.
- (2) The arbitration board shall decide whether the Employer has introduced or intends to introduce a technological change, and on

deciding that the Employer has or intends to do so, the arbitration board:

- (a) shall immediately inform the minister of its finding; and
- (b) may, then or later, order one or more of the following;
 - (i) that the change be made in accordance with the collective agreement unless the change alters significantly the basis on which the collective agreement was negotiated;
 - (ii) that the Employer will not proceed with the technological change for a period, not exceeding 90 days, the arbitration board considers appropriate;
 - (iii) that the Employer reinstate an employee displaced by the technological change; and
 - (iv) that the Employer pay that employee compensation for his displacement as the arbitration board considers reasonable.

- (3) An order made under this section binds all persons bound by the collective agreement.

15:02 Notwithstanding the provisions of Article 15:01 the Company shall notify the Union at least three (3) months in advance of any technological change or in the event of an unexpected technological change when three (3) months notice is not possible. Notice will be given to the Union at the time of the change and the parties will meet to discuss:

- (a) The making of any major change in any production process.
- (b) The introduction of or the automation of equipment or sale, plant closure or relocation which would affect the terms and conditions of security of employment of any of the employees to whom this Collective Agreement applies.

15:03 Should any jobs disappear as a result of changes as described in 15:02, the employees affected shall have the opportunity to work (subject to the individual's seniority) at another classification. Should training be required, the employee shall be allowed up to twenty-one (21) days without loss of pay. At the expiration of the twenty-one (21) day period he shall be placed on the rate applicable to his new job.

15:04 When an employee's job is discontinued as a result of changes described in 15:02 and 15:03, he shall have the option of transfer to other employment for which he is qualified or for which he can be trained as outlined in 15:03, subject to the seniority provisions. If his seniority is insufficient for him to

remain as an employee, or if he chooses to accept termination in lieu of a transfer to other work, he shall receive severance pay of one (1) week's pay for each year of service. Employees who receive severance pay and are hired shall be considered as new employees.

15:05 The minimum severance payment will be two (2) weeks pay.

1. An employee on severance layoff who is recalled to work for an expected duration of ten (10) weeks or less, may refuse to return to work for the Company and remain on severance layoff for the remainder of his twelve (12) month layoff without forfeiture of his severance allowance or seniority because the parties recognize this as a temporary job.
2. An employee on severance layoff who is recalled to work for an expected duration of more than ten (10) weeks, shall report for work within seven (7) calendar days after being called back to work, or he will be paid his applicable severance allowance and in consideration thereof he will lose his seniority and reemployment rights because the parties recognize this as a permanent job.

ARTICLE 16 - SAVINGS CLAUSE

16:01 The Company shall not vary any wages, fringe benefits or conditions of employment not expressly referred to herein which is enjoyed by any employee covered by this Agreement without the consent in writing of the employee and the Union.

ARTICLE 17 - DURATION

17:01 This Agreement shall be for the period from and including May 1, 2004 to and including April 30, 2007 and from year to year thereafter, subject to the right of either Party to the Agreement within four (4) months immediately preceding the date of expiry of this Agreement, which is April 30, 2007, or immediately preceding the last day of April in any year thereafter, by written notice to require the other Party to the Agreement to commence collective bargaining.

17:02 It is agreed and understood that all retroactive pay shall be paid in full within fourteen (14) calendar days from the date of signing of this Agreement.

17:03 This shall apply to all past Union and present employees.

17:04 All past employees shall have their retroactive cheques mailed to them, or if returned undelivered, to the Vancouver office of the Union for distribution.

- 17:05 All changes to the Collective Agreement shall be applicable on the effective date of the Agreement unless otherwise specified.
- 17:06 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 strike or the Employer shall lockout or the Parties conclude a renewal or revision of this Agreement or a new Collective Agreement.
- 17:07 The operation of Sub-Section 2 of Section 50 of the Labour Relations Code of British Columbia is hereby excluded.

SCHEDULE "A"

WAGES

Vancouver Zonolite Plant and Warehouse at 460 Industrial Ave. and 476 Industrial Ave.

	Effective May 1/04	Effective May 1/05	Effective May 1/06
Lead Hand #1	\$24.00	\$24.48	\$24.97
Lead Hand #2	22.92	23.38	23.85
Shipper/Receiver/ Warehouser	21.90	22.34	22.79
Labourer	20.32	20.73	21.15
Shift Premium - Afternoon Shift		40¢/hour	
- Graveyard Shift		45¢/hour	

SCHEDULE "B"

SUMMARY OF BENEFITS

PROVIDED BY THE COMPANY

Plan	Description	Monthly Cost
B.C. Health Insurance	Provides a wide scope of benefits for medical and hospital services plus additional services of certain other health practitioners.	NIL
Dental Plan	Effective 1/99, the Grace Dental Plan for Canadian salaried employees will cover the Vancouver hourly union employees with no contribution to the premium	NIL
Supplementary Health Insurance	Difference between cost of public ward and semi-private hospital accommodation to a maximum of 31 days.	NIL
Supplementary Hospital Care Benefits	Extra medical charges for drug prescriptions (Provincial Pharmacare Plan applicable prior to submitting claim); services of ambulance; private nursing, etc. 80% return on allowable claims over the \$10/\$20 deductible.	NIL
Accidental Death & Dismemberment	\$10,000.00	NIL
Weekly Indemnity	Covers temporary disability due to illness or injury to a maximum of 26 weeks at 66 2/3% of average weekly earnings to the maximum of	NIL

\$500 effective 5/1/01. Effective 5/1/01 increase maximum fo \$600.

Effective 1st day of accident or hospitalization. Effective 5/1/01 coverage begins 7th day not resulting in hospitalization. Effective 5/1/02 coverage beginning on 6th day not resulting in hospitalization.

Group Life Insurance	\$10,000.00	NIL
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ADDITIONAL BENEFITS

Voluntary Group Accident Insurance	Optional Plan provides 24 hour coverage in multiples of \$10,000 Employee to a maximum of ten times annual earnings Family	Premium set by Provider
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Savings and Investment	Save and invest through automatic payroll deductions with substantial tax deferments and additional contributions from Grace.	2%, 4%, or 6% of earnings
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Grace Pension Plan	Benefits - 1% of highest final average earnings (average of best consecutive 5 of last 15 years of participation in plan) up to average Government earnings ceiling (Canada Pension), plus 1 ½ % of average final earnings in excess thereof.	NIL
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In addition, for individuals who joined the plan at its inception, 1 ½% of average final earnings for each year of employment prior to 1959.

Long Term Disability	The LTD benefit will equal 60% of the monthly base pay in effect during the month before the date of disability	Premium set by Provider
Drug Cards	Employees, spouses and eligible dependents over 19 will be issued Pay Direct Drug Cards for submitting claims for prescription drugs.	NIL

SCHEDULE "C"

DENTAL CARE BENEFITS

The Company will provide a booklet detailing the benefits and costs, where applicable, to employees as soon as the booklet is available from the insurance provider. No benefits will be lost by the Union's agreement to be covered by the salaried employee's dental and supplementary health insurance and supplementary hospital care benefits plans.

SCHEDULE "D"

Effective May 1, 1995, the Company will make the Grace Canada Inc. Grace Performance Chemicals (GPC) Hourly Employee Savings and Investment Plan (the Plan) available to all eligible hourly employees covered by the Vancouver Agreement dated May 1, 1995. Thereafter, the Company will continue to make the Plan available to such covered employees as said Plan may be modified or amended from time to time **at the Company's sole discretion**, for as long as it makes the same Plan available to certain other hourly employees of Grace Canada Inc. Grace Performance Chemicals (GPC) who are not covered by this Agreement and on the same terms and conditions as it makes the Hourly S & I Plan available to such other employees.

The Union hereby specifically acknowledges and agrees that the Company has the unilateral right to revoke, terminate, suspend or modify the Plan, and interpret and apply the Plan terms, at any time, **including during the term of this Agreement**, in its sole discretion. The Union hereby waives all rights or claims of right to bargain collectively with respect to the Plan or any similar supplementary or substitute plan, **or with respect to** the application, interpretation, **amendment or termination of said Plan, and further agrees that it will not** attempt to require the Company to bargain over such matters.

The Company **agrees** to advise the Union of any changes to the Plan adopted by the Grace Board of Directors.