

AGREEMENT BETWEEN:

CUMMINS WESTERN CANADA

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 115

MAY 1, 2005 TO APRIL 30, 2008

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AGREEMENT BETWEEN:

CUMMINS WESTERN CANADA

(hereinafter called the "Company")

PARTY OF THE FIRST PART

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

(hereinafter called the "Union")

PARTY OF THE SECOND PART

WITNESSETH: that the parties hereto agree as follows:

ARTICLE 1: OBJECTS

- 1.01 (a) The objects of this Agreement are to maintain a harmonious relationship between the Company and its employees, to provide an amicable and equitable method of settling grievances or differences which might possibly arise; to maintain mutually satisfactory working conditions, hours and wages for all employees who are subject to the provisions of this Agreement.
- (b) The purpose of this Agreement is to establish conditions which result in quality services. The parties to this Agreement are committed to customer service and the success of the Company in the marketplace.
- (c) For the purposes of this agreement, the masculine shall be considered to include the feminine and the singular to include the plural.

ARTICLE 2: DURATION

- 2.01 This Agreement shall be in full force and effect from and including May 1, **2005** to and including April 30, **2008** and shall continue in full force and effect from year to year thereafter subject to the right of either party to this Agreement within four (4) months immediately preceding the date April 30, **2008**, or immediately preceding the anniversary date in any year thereafter, by written notice to the other party, require the other party to commence collective bargaining with a view to the conclusion of a renewal or revision of the Collective Agreement or a new Collective Agreement.
- 2.02 Should either party give written notice to the other party pursuant hereto, this Agreement shall thereafter continue in full force and effect until the Union shall give notice of strike, or the Company shall give notice of lockout or the parties shall conclude a renewal or revision of the Agreement or a new Collective Agreement.

- 2.03 The operation of Section 50 (2) and (3) of the Labour Relations Code of British Columbia is hereby excluded.

ARTICLE 3: DEFINITION OF EMPLOYEE

- 3.01 In this Agreement "employee" means a person who is employed by the Company and who is included in a unit of the Company's employees for whom the Union has been certified as the collective bargaining agent by the Labour Relations Board of British Columbia. "Employee" shall also mean a person employed in a job classification listed in Schedule "A" attached hereto, and working at or from any premises opened or taken over by the Company in British Columbia.

ARTICLE 4: BARGAINING AGENCY

- 4.01 The Company recognizes and agrees that the Union is the sole bargaining agent for the employees of Cummins Western Canada, employed at the place(s) set out in the certificate(s) of bargaining authority and at any other premises opened or taken over by the Company in British Columbia.
- 4.02 This Agreement shall be binding on the Company and the Union and their respective successors, administrators, executors and assigns and on each employee.
- 4.03 Union Security - Each employee covered by this Agreement shall, as a condition of employment and/or continued employment, be and remain or become and remain, a Union member in good standing for the duration of this Agreement or for the duration of his employment with the Company, whichever is shorter. Counting from the date he commences employment with the Company, each new employee will be allowed thirty (30) calendar days within which to make application to join the Union and tender the appropriate initiation fees. The Union shall have the exclusive right to determine who is a member in good standing. Should an employee at any time cease to be a member in good standing of the Union, the Company shall, upon notification in writing from the Union, discharge such employee forthwith.
- 4.04 New Employees - The right to hire employees of its choice is vested exclusively in the Company, but when the Company requires new employees, it shall so notify the Union so that the Union may have the opportunity to provide the Company with suitable applicants.
- 4.05 Check-Off - The Company shall deduct from each new employee an amount equal to the Union dues, from the employee's first payroll cheque after completion of six (6) days of work in a calendar month and add that employee's name and the said amount to the closest applicable checkoff; i.e., if the checkoff for that month has not been remitted to the Union, it shall be added to that checkoff; if the month's checkoff has been remitted, it shall be added to the following month's checkoff and shown as the previous month worked.
- 4.06 Liability Insurance - The Company will provide documentation supporting the presence of liability insurance for bargaining unit employees.

ARTICLE 5: HOURS OF WORK AND OVERTIME

- 5.01 (a) Day Shift - The standard work day shall consist of eight (8) hours. Starting time to be between 7:00 a.m. and 8:00 a.m. The standard work week shall consist of forty

(40) hours, Monday to Friday. Graveyard shift shall lead off at 12:01 a.m. Monday. Any changes to the starting times to be by mutual agreement.

- (b) Tuesday to Saturday Shift - The standard work day shall consist of eight (8) hours. Starting time to be between 7:00 a.m. and 8:00 a.m. The work week shall consist of forty (40) hours, Tuesday to Saturday. **Effective December 13, 2005**, a shift premium of **seventy cents (\$0.70)** per hour shall be paid for all hours worked in the week. Junior men in the required categories will be requested to work the shift unless the Company can obtain enough volunteers. Sunday and Monday shall be the regular days off for those on this shift, and any work they perform on these days shall be paid at overtime rates.
- 5.02 Second Shift - If a second shift is employed, the hours of work shall be seven and one-half (7-1/2) hours of work between the hours of 4:00 p.m. and 12:00 midnight for which eight (8) hours will be paid and **effective December 13, 2005** a shift premium of **seventy-five cents (\$0.75)** per hour shall be added on to the classified hourly rate, for all hours worked in the week.
- 5.03 Third Shift:
- (a) If a third shift is employed, the hours of work shall be seven (7) hours of work between the hours of 12:00 midnight and 7:30 a.m. for which eight (8) hours shall be paid and **effective December 13, 2005** a shift premium of **eighty cents (\$0.80)** per hour shall be added on to the classified hourly rate.
 - (b) Hours of work in the shop and tool crib may be changed by mutual agreement between the parties.
- 5.04 Lunch Period: - Each shift shall have a half-hour lunch period at mid-shift.
- 5.05 Shift Change: - The Company shall give the employee forty-eight (48) hours' notice prior to changing of shifts.
- 5.06 Shift - Transfer of Employee: - When it is necessary for an employee to be transferred from one shift to another shift, said shifts will continue for a minimum of three (3) consecutive normal working days, or the overtime rates as provided for in this Agreement will apply.
- 5.07 Shift - Start and Stop Times: - If an employee is working on the second or third shift and is unable to start the shift on time and/or to complete the shift, then the hourly rate for such an employee shall be computed by dividing the employee's total pay for a regular full shift by the applicable total number of hours he would be required to work to qualify for a full second or third shift, multiplied by the actual hours worked.
- 5.08 Rest Between Shifts: - It is intended that every employee should have eight (8) hours' rest between shifts. In the event that an employee is recalled to work before such eight (8) full hours elapse, he shall be paid the appropriate overtime rates for work performed after recall. No employee shall be permitted to resume work on his own accord until eight (8) full hours have elapsed.

Clarification:

Employees working after midnight reporting for work next shift after an eight (8) hour break will not lose the time taken from the shift to make up the eight (8) hour break.

- 5.09 (a) Work Before Regular Shift: - Employees called in before their regular starting time shall be paid at the double time rate for time worked prior to their regular starting time.
- (b) Work After Regular Shift: - Employees called back to work after their regular shift shall receive a minimum of four (4) hours' pay at the prevailing overtime rate.
- 5.10 (a) Overtime: - All hours worked outside of the standard work hours, outside the established shift hours and outside the standard work week shall be considered overtime and shall be paid at double time.
- (b) Work on Saturday, Sunday, General Holiday: - Double time for all hours worked on a Saturday, on a Sunday, or on any General Holiday listed in Article 10, or day observed as such under the terms of this Agreement except those employees on Tuesday to Saturday shift. This double time is in addition to any General Holiday pay an employee may be entitled to under other provisions of this Agreement.
- 5.11 (a) Work Week Guaranteed: - 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 **a minimum of two days**. In any week in which a General Holiday falls, employees will not receive more than five (5) days' pay unless such General Holiday falls on a non-working day as set out in Article 10, section 10.01, or if the employees works on such General Holiday.

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.

Subject to the daily pay guarantees of this Agreement, any new employee during his first thirty (30) calendar days of employment or part thereof, or any employee who is unable to start or to complete the work week because of sickness or accident, shall only receive pay for the days worked.

- (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) Call Time: - An employee called to work on a Saturday, a Sunday or on a General Holiday, (or days observed as General Holidays) shall receive a minimum of four (4) hours' pay at the prevailing overtime rates.
- (d) The provisions of this section shall not apply if an employee voluntarily quits or lays off, or is discharged for proper cause.

- (e) Standby: - A standby payment of one hundred and five dollars (\$105.00) per week shall be provided to a Technician scheduled for standby. If necessary this shall be paid on a daily basis. No payment will be made if contact cannot be made by the answering service within the response requirements as defined by the Cummins Engine Company (currently targeted at ten [10] minutes). The daily call reports from the answering service will be used to determine if the response time was appropriate.

Effective May 1, 2007 the standby premium will be increased to one hundred and twelve dollars (\$112.00) per week.

- (i) Standby shall be voluntary.
- (ii) Standby shall be on a rotating basis amongst the volunteers.
- (iii) A Technician who is called out will receive a minimum of four (4) hours' pay at overtime rates as per Article 5, Section 5.11 (c).
- (iv) **Employees may arrange for another qualified employee to cover their turn in the rotation and advise management of the change. These arrangements must not negatively impact the customer, fellow employees or the company. In the event of the dispute the original schedule shall prevail.**

5.12 Preparation Time: - The Company will allow and pay up to two (2) hours' personal preparation time to employees being sent on out-of-town jobs for a period of overnight or longer at regular rates up to time and one-half.

5.13 Work Through Regular Lunch Period: - Where an employee is required to work through the regular established lunch period, such employee shall be paid the applicable overtime rate and be allowed reasonable time off to consume a meal with no loss of pay.

5.14 Overtime Not Part of Daily Guarantee: - Where an employee, at the request of the Company, performs work at overtime rates, such time will be considered overtime only and will not be included in the computation of his daily guarantee as provided under this Agreement.

5.15 Accidents - Pay to Employees: - Employees involved in an accident while on the job shall receive **full pay for all hours of their scheduled shift** on the day of the accident at his classified rate. If an employee is required to take time off while on the job to consult a doctor with regard to any compensable injury he has received on the job, he shall be paid for such time off provided a doctor's letter or note is supplied and he returns to complete the day's work, if practicable.

5.16 Overtime – Voluntary:

- (a) All overtime shall be on a voluntary basis.
- (b) (i) The employee(s) assigned to perform the job during regular work hours shall be given the first opportunity to work the overtime.

- (ii) Scheduled overtime will be offered by seniority within the department among the employees capable of performing the work in question.
- 5.17 Overtime - Calculation of: - If the Company has a time clock when an employee works overtime his time worked shall be calculated on a six (6) minute period time clock calibration. If an employee works any part of a six (6) minute unit, he shall receive credit for time worked for that full six (6) minute unit.
- 5.18 When employees are being worked on two (2) or more shift schedules and where a majority of the employees request it they shall rotate shifts.
- 5.19 Overtime Meal:
- (a) Employees **working 8 hour shifts** who work beyond ten (10) hours per day, **ten (10) hour shifts who work beyond twelve (12) hours per day and twelve (12) hour shifts who work beyond fourteen (14) hours per day** shall receive a maximum of one-half (1/2) hour's pay for time off to eat a meal, **and beyond each four hours (4) thereafter**. Further to this, if an employee feels that he requires additional time off, he will request such additional time from the Foreman and if the request is reasonable the Foreman shall grant same. This break shall occur at the regular meal hour.
- (b) **The Company shall pay the cost of such a meal subject to the following conditions. The meal allowance for the Greater Vancouver area will be a maximum of fifteen (\$15.00) for meals, and** in the areas outside **Greater Vancouver** the employees will buy a meal at the going rate of the area involved and be reimbursed for the cost. In all cases receipts shall be obtained and turned in to the Company with the amounts being justified by the prices in the area involved.
- For the purposes of this agreement a meal shall be defined as food which is purchased for an employees's consumption at the time of purchase.**
- 5.20 Employees when on out-of-the-shop jobs shall be deemed to be on day shift, or on the same shift as the customer's operation or job on which work is being performed at all times and shall be paid accordingly with respect to the hours of work and overtime conditions.

ARTICLE 6: MANAGEMENT RIGHTS

The Union recognizes and agrees that:

- 6.01 The management and operation of the plant and the direction of the working forces are vested exclusively in the Company.
- 6.02 The Company has and shall retain the right to select its employees, to hire, classify, promote, demote or discipline them and discharge employees for proper cause, provided that a claim of discrimination against an employee in respect to any of these matters, or a claim of violation of any section or Article of this Agreement, may be the subject of a grievance and be dealt with as hereinafter provided.

ARTICLE 7: GRIEVANCE PROCEDURE

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

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

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

If the procedures set forth in Step A and Step B above do not result in a solution being reached within seven (7) days of the first discussion between a Business Representative of the Union and a representative of the Company, or within such further period as the Company and the Union agree to in writing, the dispute shall **by mutual agreement between the parties go before the Canadian Joint Grievance Panel. Should the Union and the Company not mutually agree the grievance shall** be referred to an Arbitration Board of three (3) persons appointed as follows:

1. The party desiring Arbitration shall appoint a member for the Board and shall notify the other party in writing of the name and address of the person so appointed and particulars of the matter in dispute.
2. The party receiving the notice shall within five (5) days appoint a member for the Board and notify the other party of its appointment.
3. The two Arbitrators so appointed shall confer to select a third person to be chairman and failing for three (3) days from the appointment of the second of them to agree upon a person willing to act, either of them may apply to the Honourable, the Minister of Labour, of British Columbia, to appoint such third member.

The Arbitration Board shall sit, hear the parties, settle the terms of the question to be arbitrated, and make its award, within ten (10) days from the date of the appointment of the chairman, provided the parties may extend the time by agreement in writing.

Step C - The parties may mutually agree that a sole arbitrator be appointed in place of a three (3) person board. The decision of the sole arbitrator shall be deemed to be the decision of the Board and shall be deemed final and binding. All expenses incurred by the sole arbitrator shall be paid equally by the parties. Each party shall pay its own expenses.

If an agreement is not reached under the provisions of Step B above, upon mutual agreement between the Union and the Company and at any time prior to the appointment of an Arbitration Board, or other body, another party may be requested to confer with the Union and the Company to assist in the settlement of any difference arising from an alleged violation of this Agreement. Within ten (10) days of appointment, the selected

party will make inquiries which it considers adequate and will submit in writing recommendations for settlement of the difference which will not be binding upon either the Union or the Company or detract from their privileges under this Agreement. All expenses incurred by the appointed party will be paid equally by the Union and the Company. The parties may agree that the recommendation rendered at this Step will be binding on both parties. If a solution is reached, this shall be final.

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

The Arbitration Board shall have the right to modify any penalty imposed by the Company on an employee.

If the award of the Arbitration Board is subsequently set aside by a court of competent jurisdiction, the question shall, at the request of either party, be submitted to another Arbitration Board appointed pursuant to and with all the powers provided by this Article.

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

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

- 7.02 Grievance - Time Limit: - Any discharged employee may, within seventy-two (72) hours of his discharge, in writing, require the Company to give him the reasons for his discharge and the Company will give such reasons to him, in writing, within seventy-two (72) hours of such request and in the event of any dispute or difference as to whether or not there was proper cause for the discharge of such an employee, only the reasons so set forth in writing, shall constitute cause. The twenty-four (24) hour periods in Saturdays, Sundays or General Holidays shall not be used as counting hours with regards to such written request.

The Company agrees that if any grievance proceeds to Arbitration and the Arbitration Board finds in favour of the Union or any employee, then the Company shall pay for all time lost by any employee being called to appear as a witness.

If any adverse statements are to be put into any employee's personnel file, a copy of same will be given to the employee with a copy sent to the Union so the matter may be grieved if necessary, and after three (3) years from the date of occurrence such adverse statement shall be deleted from the employee's file.

ARTICLE 8: SENIORITY

- 8.01 Seniority List: - The Company shall at least once every six (6) months, post in a conspicuous place on its premises an up-to-date list of all employees covered by this Agreement showing the date when each commenced his employment with the Company. The Company shall forward to the Union a copy of each list on the date of its posting.
- 8.02 Probationary Period: - When a new employee is hired, it is agreed that he shall be on probation for ninety (90) days with a written review every thirty (30) days with copy to the Shop Steward and during this period seniority will not be applicable. When the probationary period is completed, seniority will commence from the date of hiring.
- 8.03 Employee - Re-employment: - An employee re-entering the employ of the Company after his right to recall has expired shall not be subject to another probation period.
- 8.04 Lay-Offs: - In the event of layoffs, seniority shall be recognized. The principle of last man on, first man off, shall prevail, subject to job classification. All layoffs shall be on Fridays only. Employees to get layoff notice on Wednesday.
- 8.05 If layoffs occur, providing a senior man is capable of performing another job, he shall be given the opportunity to take such a job, either on a temporary basis or on a permanent basis as determined by the employee.
- 8.06 Seniority Retention: - A laid-off employee shall retain his seniority and recall rights with the Company for twelve (12) months after the date of layoff. However, after an employee has been laid-off for more than thirty (30) days the Company will not be compelled to maintain the employee's benefits as described in Article 13 but the Company shall notify the employee, in writing, the date on which all his coverage as provided will be terminated.
- 8.07 Recall: - When vacancies occur, the Company shall rehire laid-off employees according to their seniority and the principle of last man off, first man on shall prevail. The Company shall make personal contact with laid-off employees.
- 8.08 If a laid-off employee is called back to work with the Company within his right to recall period, there shall be deemed to have been no break in such an employee's continuous service with the Company by reason of such layoff.
- 8.09 Job Promotions: - When new jobs are available, wherever possible, the Company will promote employees to a better paying job; seniority, qualifications and ability to be considered.
- 8.10 Employees who leave the bargaining unit to accept a job with the Company in some other capacity shall be allowed a six (6) month trial period whereby they could come back into the bargaining unit during this six (6) month period shall maintain and accumulate their seniority providing they have maintained their membership in the Union during this period.

8.11 (a) Layoff Pay:

If an employee is laid-off for a period that exceeds his right to recall as provided for in the Seniority provisions of this Agreement and that employee has a minimum of six (6) months service with the Company, he shall be paid two (2) weeks' pay based on eighty (80) hours at his then applicable rate of pay. Upon completion of three (3) years' employment, an additional weeks' pay shall be paid for each additional year of employment up to eight (8) years. Such an employee may elect to accept termination pay under the provisions of this Section before the end of his right to recall period, but in so doing shall forfeit all seniority rights accruing to him under the Agreement, by reason of his term of service with the Company.

(b) Severance:

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

One (1) week's pay for each year of service with the Company to a maximum of twenty-five (25) weeks.

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

8.12 Seniority - Seniority standing will be cancelled through:

(a) voluntary resignation.

(b) exceeding authorized leave of absence unless for reasons acceptable to the Company.

(c) accepting unauthorized employment while on leave of absence, as provided in Article 13.16.

(d) not reporting when recalled to work from layoff, within three (3) working days of receiving notice to do so - [notice given by:

(i) phone to employee's home,

(ii) registered letter to employee's home,

(iii) and notification to the Union],

unless failure to report to work was reasonable and unavoidable; it being understood that the employee recalled may refuse a recall of up to five (5) consecutive work days or such other mutually agreed duration. Employees who refuse recall under this Article cannot bump a junior employee who accepted work for the period of time the senior employee refused. Should the recall period of work extend beyond five (5) consecutive work days, the senior employee will be offered such additional work.

- (e) discharge and not reinstated under the terms of this Agreement.
- (f) layoff beyond the employee's seniority retention period.
- (g) acceptance of layoff or severance pay under the provisions of Article 8.11.

ARTICLE 9: VACATIONS

9.01 The Company shall give each employee an annual holiday which will be allocated on the basis of seniority and based on the following entitlements:

<u>Years of Continuous Service</u>	<u>Vacation Period</u>	<u>Vacation Pay</u>
1 yr. but less than 2 yrs.	80 hours	4% or 2 weeks*
2 yrs. but less than 7 yrs.	120 hours	6% or 3 weeks*
7 yrs. but less than 15 yrs.	160 hours	8% or 4 weeks*
15 yrs. but less than 20 yrs.	200 hours	10% or 5 weeks*
20 yrs. but less than 25 yrs.	240 hours	12% or 6 weeks*
25 yrs. but less than 30 yrs.	280 hours	14% or 7 weeks*
30 yrs. and over	320 hours	16% or 8 weeks*

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

9.02 Calendar Year: - For the purpose of determining a calendar year's employment to qualify an employee for vacations and vacation pay, the parties agree that when an employee has worked a minimum of fifteen hundred (1500) hours for which wages are payable in an employee's calendar year, running from anniversary date to anniversary date, he shall be eligible for vacations as above set forth.

Employees who work less than fifteen hundred (1500) hours shall be paid as the case may be, four percent (4%), six percent (6%), eight percent (8%), ten percent (10%), twelve percent (12%), fourteen percent (14%) or sixteen percent (16%) of their gross earnings for the work year immediately preceding the vacation period.

9.03 Vacation Pay On Termination: - In the event of termination of service with the Company after an employee has had his vacation he earned for the previous year, he shall receive as vacation pay four percent (4%), six percent (6%), eight percent (8%), ten percent (10%), twelve percent (12%), fourteen percent (14%) or sixteen percent (16%) as the case may be of his gross earnings in the year in which he ends his employment for which no vacation has been paid.

9.04 Vacation Pay - Statement of: - Prior to an employee going on his vacation, the Company shall furnish the employee with a statement showing the period for which the employee is receiving his or her vacation pay, how the vacation pay was calculated, and shall include all overtime payment, commissions, or anything of a monetary value on which the employee has to pay income tax, and also a cheque for the proportionate vacation pay the employee is entitled to.

9.05 Vacation Period: -

The Company shall, where required, post a vacation list on the Bulletin Board at each branch at the beginning of each calendar year. All employees shall be listed in order of seniority by department and shall have filled in their request by February 28th of that year. The Company shall have vacation periods allocated by department by March 15th of that year.

If an employee so requests, the Company will provide two (2) weeks of the employee's vacation time in the summer months (June 15th to September 15th). If a dispute arises, vacation periods will be allocated on the basis of seniority. Those employees entitled to four (4) or more weeks' vacation shall be entitled to request three (3) weeks' vacation in the prime time.

The following periods shall be considered prime time:

- (i) June 15th to September 15th
- (ii) December 18th to January 8th of the following year
- (iii) Spring Break

9.06 Vacation Entitlement:

- (a) In any year that an employee becomes entitled to an additional vacation upon reaching his anniversary date of employment, he will be entitled to one (1) week's vacation with pay at that time.
- (b) Employees hired after October 1, 1994, will have their vacation entitlement capped at six (6) weeks and twelve percent (12%) holiday pay.

9.07 Vacation - Anniversary Date: - An employee's anniversary of employment date will govern his attainment of vacation entitlement. His vacation pay and time off will be adjusted from his anniversary date.

9.08 Vacation Schedule Change **and Notice**: - An employee's scheduled vacation period shall not be changed by the Company within the one (1) month period immediately preceding the start of the vacation period without the consent of the employee concerned.

After the date of vacation allocation as set out in Article 9.05, the minimum notice to the company for vacation requests shall be 5 business days unless shorter notice is mutually agreeable between the employee and their immediate supervisor. Vacation notice must be given and agreed to by the employee's immediate supervisor.

- 9.09 Vacations - Requirement to Take: - Each employee shall be required to take the full annual holiday period that he is entitled to under the provisions of this Agreement.
- 9.10 The entitlements of an employee under this section shall at no time be less beneficial than those he would be entitled to under the provisions of any Government legislation or any orders or regulations made thereunder.
- 9.11 Vacation Eligibility: - Eligibility for vacations shall be maintained, but not accumulated during absence:
- (i) due to temporary illness or non-occupational accident exceeding twenty-six (26) weeks;
 - (ii) with authorized leave of absence exceeding six (6) months.
- 9.12 Eligibility for vacations will be maintained and accumulated during absence due to:
- (i) a compensable accident;
 - (ii) serving in the non-permanent Armed Forces of Canada;
 - (iii) temporary illness or non-occupational accident not exceeding twenty-six (26) weeks;
 - (iv) due to layoff within the right to recall period;
 - (v) with authorized leave of absence of six (6) months, provided they have maintained their membership in the Union.

ARTICLE 10: GENERAL HOLIDAYS

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

New Year's Day	Good Friday	B.C. Day
Canada Day	Labour Day	Victoria Day
Remembrance Day	Christmas Day	Thanksgiving Day
Boxing Day	Heritage Day	

and any other holiday declared, proclaimed or celebrated by the Federal or Provincial Government.

(b) The Company shall have the opportunity to remain open for business on Heritage Day but in so doing shall only use a partial or skeleton crew, by the method of volunteers first. Should there not be enough volunteers, then the Company may appoint least senior employees to form the skeleton crew.

Employees who work on Heritage Day shall be provided an alternate day off with pay mutually agreed upon between the employee and the Company.

- 10.02 General Holiday - Floater: - Each agreement year, each employee shall be entitled to an additional guaranteed General Holiday with pay at his current rate. ***Current rate will be defined as the shift that the employee is assigned to at the time the holiday is taken.*** This holiday can be a floating holiday at a time mutually agreed to between each employee and the Company.

New employees hired during the term of this Agreement shall not be entitled to the additional floating holiday until they have accrued six (6) months' seniority.

If the employee and the Company are unable to agree on the date, the decision shall be the Company's provided it is in conjunction with the employee's regular days off.

If an employee is laid off, terminates or quits before receiving his day off described herein, he shall be paid a day's pay in addition to all other monies to which he is entitled.

- 10.03 General Holiday - Saturday and Sunday:

- (a) When a General Holiday falls on a Saturday or on a Sunday or on an employee's weekly day off then the next work day shall be observed as the holiday. If Christmas Day and Boxing Day fall on a Saturday and on a Sunday respectively, or on an employee's weekly days off, then the next two (2) work days shall be observed as holidays.
- (b) The exception to the above may be for Christmas Day, Boxing Day and New Year's Day only if any of these days fall on a weekend, the Company shall have the option of providing an alternate day(s) for those employees required to work the days immediately following the weekend. The alternate day shall, by mutual agreement, be either the last working day prior to the holiday or the Friday following the holiday.

- 10.04 General Holiday Pay Will Be Paid: - Without limiting the general application of sub-section (a) of this section, but subject to the provisos contained herein, General Holiday pay provisions will prevail:

- (a) where an employee is off work due to any circumstances for which he is eligible to receive compensation under the Workers' Compensation Act, provided such an employee has earned wages from the Company during the sixty (60) calendar days immediately preceding the holiday;
- (b) where an employee is off work due to sickness, quarantine or an accident provided such an employee has earned wages from the Company during the sixty (60) calendar days immediately preceding the holiday. If the Company so requests, a doctor's certificate shall be submitted as proof of disability;
- (c) where an employee is laid off or is on an approved leave of absence provided such an employee has earned wages from the Company during the two (2) calendar weeks immediately preceding the week in which the holiday occurs;

- (d) where the employee is off work due to a death in the immediate family or is acting as a juror or witness as provided elsewhere in this Agreement.

10.05 General Holiday - During Vacation: - When a General Holiday falls within an employee's scheduled vacation, he shall receive the pay of a normal shift for the holiday in addition to his vacation pay, or a day off with pay in conjunction with his vacation.

ARTICLE 11: WAGES

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

11.02 Payment of Wages: - The Company shall every second Friday, pay to each employee all wages earned by the employee to a day not more than four (4) working days prior to the date of payment provided that if a General Holiday falls on the regular pay day, payment will be made the preceding day.

Payment of wages will be made during working hours. In the event that an employee is laid-off, the Company shall pay such employee not later than the next business day after he ceased to be an employee of the Company, all wages, salary, and holiday pay earned by such employee, excluding authorized deductions.

11.03 Pay Statement: - The Company will issue to each employee a separate or detachable itemized statement with each pay showing separately the number of straight time hours worked and the number of overtime hours worked and the respective hourly rates applicable therefrom. The statement shall also show the total wages for the pay period and the total deductions therefrom.

11.04 Time Slips: - An employee shall be required to fill out time slips daily if the Company so requests.

11.05 Off Property Premium: - Effective **December 13, 2005** the Off Property Premium shall be increased to **one dollar and seventy-one cents (\$1.71)** per hour for field service and **one dollar and ninety-six cents (\$1.96)** per hour for mine sites.

Overtime rate shall not apply to the said premium pay.

11.06 Construction Rates:

- (a) Construction rates of pay shall be paid to employees who install permanent machinery on construction sites or who do repair work on construction sites that would otherwise be done by members of Building Trades Unions. The construction rates of pay shall only apply to the actual hours worked on the construction site.
- (b) Construction rates shall not apply to service calls, inspection calls, warranty work and delivery jobs.

11.07 The Company shall where possible ensure that vehicles are in a sanitary condition before mechanics are required to work on them.

ARTICLE 12: TRANSPORTATION AND EXPENSES

12.01 (a) Employees required to report for work outside the Vancouver area who do not return daily, shall be paid all their transportation, accommodation and meal expenses.

(b) Travel time and waiting time during the employee's regular shift hours, will be paid at straight time. Travel time authorized by the Company or the customer, outside the employee's regular shift hours, will be paid for at double time up to a maximum of eight (8) hours in any twenty-four (24) hour period. All travel time and waiting time on Saturday, Sunday and any General Holiday will be paid for at double time to a maximum of eight (8) hours in any twenty-four (24) hour period.

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

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

(d) Travel time at double time rates shall be paid outside the regular hours of work for those employees travelling in Company or rented trucks or cars. Time and one-half (1-1/2) will apply when an employee is travelling by a public carrier or to and from a public carrier.

(e) Public carriers shall be defined as follows: buses, taxis, aircraft, trains, boats and any vehicle licensed to transport passengers and operated by a licensed operator (exclusive of Company trucks or cars mentioned in (d) preceding).

Buses, aircraft or boats that may be chartered or purchased by the Company to transport employees shall be licensed to transport passengers and operated by an operator holding a current appropriate license to do so.

(f) Air Travel Insurance:

If an employee is required to travel by air on Company business, the Company agrees to reimburse such an employee the amount of the cost of flight insurance up to a maximum of \$105,000.00 coverage. A covering receipt must be turned in to the Company for reimbursement.

12.02 Employee Vehicles: - No employee shall be allowed to use his motor vehicle on Company business. Employees shall not be required to leave their vehicles overnight at the Company's premises when going on out-of-town jobs.

12.03 Jobs Away From Home:

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

- (b) If there is reason to extend this period, and the employee requests to return home, the Company will transport such an employee back to his home base and during such transportation such an employee shall be accorded all the benefits and conditions as to travelling as provided under this Agreement.
- (c) This will not preclude long term out-of-town assignments which will be arranged in advance.

ARTICLE 13: GENERAL PROVISIONS

- 13.01 Injury Report: - An employee suffering injury while in the employ of the Company must report to the First Aid Department immediately, or as soon thereafter as practicable, and also report to that department on returning to work.
- 13.02 Washroom Facilities: - Adequate washroom facilities will be provided by the Company and kept in sanitary condition. Employees will co-operate by observing the simple rules of cleanliness.
- 13.03 Waterless Hand Cleaner: - Waterless hand cleaner shall be supplied at all mechanical operations covered by this Agreement.
- 13.04 Coveralls: - All employees required to wear coveralls or smocks shall have these supplied and cleaned by the Company at no expense to the employees involved. Any smock or set of coveralls supplied, shall be of the proper size to fit the employee. There shall be at least three (3) changes available each week to the employees involved, and field servicemen going out on calls shall have several extra sets of coveralls to take with them when they go out on such call.
- 13.05 Lunch Room: - The Company will provide a suitable lunch room for the employees.
- 13.06 Rest Periods: - An employee shall be granted two (2) ten (10) minute breaks during the course of each shift - one in each half of the shift. An employee shall be granted a ten (10) minute break after each two (2) hours of overtime he works in any day. If an employee is working off the Company's premises, these periods shall be increased to fifteen (15) minutes.
- 13.07 Clean-Up: - Employees shall be allowed a minimum of five (5) minutes personal clean-up time each shift, such time to precede the end of the shift. The Company shall provide a five (5) minute warning whistle.
- 13.08 Shop Temperature: - With the co-operation of employees, the Company will attempt to maintain shop temperatures above 16°C during cold weather. The Company agrees not to require its employees to perform outside repair work in temperatures below -29°C, unless adequate protection and some form of heat is provided. Tarpaulins, windbreaks, etc., shall be erected before commencement of work and heat must be made available.

The Company shall supply protective clothing when employees are engaged in cleaning equipment.

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

13.09 Shop Steward:

- (a) The Union may select or appoint a Shop Steward or Shop Stewards to represent the employees and the Union shall notify the Company as to the name or names of such Shop Steward or Shop Stewards. The Company agrees that no Shop Steward shall suffer any discrimination by reason of holding such office.
- (b) When the Company for any reason finds it necessary to terminate a Shop Steward, the Business Representative of the Union shall be notified prior to such termination.
- (c) Upon informing management, authorized agents of the Union shall have access to the Company's premises during working hours for the purpose of adjusting disputes, investigating working conditions and ascertaining that the Agreement is being adhered to in the operation.
- (d) Any employee being reprimanded by the Company shall have the right to request that the Shop Steward be in attendance.
- (e) The Shop Steward shall be allowed reasonable time to take up grievances during working hours without loss of pay.

13.10 Picket Line:

- (a) It shall not be considered a violation of this Agreement for an employee to refuse to cross a picket line which has been legally established as a result of a bona fide labour dispute between a recognized Trade Union and an Employer with whom the picketing Union has a dispute.
- (b) The Union reserves the right to render assistance to other labour organizations. It shall not be considered a violation of this Agreement for an employee to refuse to work with a non-Union workman or workmen.

13.11 (a) Standby Time:

If an employee reports to a field job outside the Greater Vancouver 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), **ten (10) or twelve (12)** hours in each twenty-four (24) hours.

(b) Layover Time:

Where an employee is required to remain in the field on Saturday, Sunday or a General Holiday, he shall be paid eight (8), **ten (10) or twelve (12)** hours for each such day at straight time rates.

13.12 Supervisors and Office Personnel Do Not Work: - No supervisors or office personnel will be allowed to use hand tools or carry out work which would be normally done by employees in the bargaining unit, except in the instructing or training of employees.

13.13 Bonding: - If, at any time, the Company requires an employee to be bonded by an individual bond, the cost of such bonding shall be assumed by the Company. An employee will not fill out the required bonding application form until such application form has been sanctioned by the Union.

13.14 Tools:

- (a) The Company shall provide, at its expense, tool insurance coverage to each eligible Journeyman and Apprentice. Such coverage shall pay the cost of replacing an employee's tools, tool for tool, at no cost to the employee.

Each employee will provide a brand name inventory of his tools on a form supplied by the Company to be eligible for tool insurance. Such tool insurance includes coverage on an employee's tool box.

- (b) Metric Tools - The Company will provide metric tools as tool crib items based on present type of tools currently supplied from tool crib.

- (c) Tool Allowance

Effective **December 13, 2005, three hundred seventy-five dollars (\$375.00)** per Agreement year for each employee who files with the Company a detailed tool inventory in excess of one thousand dollars (\$1,000.00) of tools necessary to perform his duties on Cummins Diesel engines. Effective May 1, **2006**, this amount shall increase to **four hundred ten dollars (\$410.00)** and effective May 1, **2007**, this amount shall increase to **four hundred forty-five dollars (\$445.00)**. When an employee who is eligible under this program has purchased tools in excess of seventy-five dollars (\$75.00) he must, to be compensated by the Company, submit once each Agreement year, an expense account with paid invoices attached. Unused amounts can be carried forward and accumulated within the term of the current contract.

Effective **December 13, 2005**, those employees designated as Field Service Mechanics shall receive **four hundred dollars (\$400.00)** per contract year. Effective May 1, **2006**, this amount shall increase to **four hundred thirty-five dollars (\$435.00)** and effective May 1, **2007**, this amount shall be further increased to **four hundred seventy (\$470.00)**.

Tools must be purchased for **Cummins Western Canada's use** and be reflected on tool inventory lists.

Entitlement for tool allowance will commence upon completion of the employee's probation period. New employees with less than twelve (12) months of service shall receive a portion of the above allowance pro-rated to their seniority date.

13.15 Sub-Contracting: - Where the Company's facilities, space and trained personnel are available, the Company will endeavour to continue to have all work which is presently performed by its employees, performed by members of the bargaining unit.

13.16 Leave of Absence:

- (a) (i) The Company shall allow time off work without pay for any employee who is serving on a Union committee for purposes of discussions with the Company, or serving as a Union delegate to any conference or function, provided all requests for time off are reasonable and do not interfere with the proper operation of the business.
- (a) (ii) No employee who acts within the scope of this sub-section shall lose his job or be discriminated against for so acting.
- (b) (i) When an employee suffers an injury, whether on the job or not, or suffers any illness preventing him from reporting to work, he will automatically be granted leave of absence until such time as his doctor states he can return to work.
- (b) (ii) When any employee suffers an injury or illness which requires his absence, he shall report the fact to the Company as soon as possible, prior to his actual starting time, so that adequate replacement may be made if necessary.
- (c) If an employee desires a leave of absence for reasons other than those referred to in this section, he must obtain permission, in writing, for the same from the Company, a copy to be supplied to the Union.
- (d) In any instance where an employee accepts other employment without the consent of management, when on leave of absence for any reason, his employment may be terminated, subject to proper proof of same.

13.17 Union Notices:

- (a) A notice board shall be provided for the posting of all official Union notices exclusively, and will not be used for the purpose of disseminating political information. The right is reserved to the Company to request the removal of material offensive to the Company.
- (b) The following information shall be kept in a central location, readily accessible to the Shop Steward:
 - (i) A copy of the Agreement;
 - (ii) Welfare Plan Provisions.

Any employee requiring such information shall contact the Shop Steward for same.

The Company will post the seniority list in the tool crib room of the mechanics' lunch room.

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

13.19 Job Posting, etc.: - In the event that a new job is created, or any job becomes vacant, or new equipment is installed in the operation, the Company shall post a notice on the bulletin board notifying that a vacancy exists in a particular job.

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

13.20 (a) Bereavement Pay: - If an employee suffers a death in the immediate family he shall be granted compassionate leave of absence with full pay for three (3) days. **Rate of pay will be defined by the shift that the employee is assigned to at the time the bereavement leave is taken.** Immediate family means: spouse, mother, father, brother, sister, children, mother-in-law and father-in-law. If the employee affected does not attend or arrange services then he shall only be entitled to one (1) day as provided for under this section.

In the event of a death of a brother-in-law or sister-in-law **or employee's grandparents** only one (1) day shall be granted with pay for those employees which may be affected who arrange or attend the funeral.

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

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

Once an employee is relieved of jury duty or as a witness, he shall be reinstated to his regular job.

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

13.22 Transfer:

When an employee agrees to a transfer the Company shall:

- (a) Allow reasonable living expenses to the transferred employee up to a maximum of thirty (30) days. Living expenses are to be discussed initially with the employee before departure and each fifteen (15) days thereafter;
- (b) Pay the transferred employee's transportation costs to the new location and supply first class accommodation and meals to the employee while he is en route to the new location;
- (c) Assume the cost of moving the transferred employee's family and household goods to the new location. This shall include the cost of transporting and accommodating the family while en route to the new location.

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

13.23 Article Headings: - The article headings shall be used for purpose of reference only, and may not be used as an aid in the interpretation of this Agreement.

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

- (a) The Company shall not require employees to take out on the streets or highways any vehicle that is not in safe operating condition or equipped with safety equipment, seat belts, or stickers prescribed by law. It shall not be a violation of this Agreement where employees refuse to operate such equipment.
- (b) All trucks owned or leased by the Company must have steps or other similar devices to enable drivers to get in and out of the body for safety purposes.

- (c) It is agreed between the Company and the Union, having regard for the safety and driver health factor, that all vehicles shall have adequate heaters, windshield wipers and defrosters installed.
 - (d) It is mutually agreed that a form shall be supplied the driver on which he must report defects in equipment with sufficient copies so that the driver may retain a copy and so that the head office of the Company will have a copy of this report on file.
 - (e) When a driver reports a defect in equipment, he must tag or mark the vehicle involved in such a manner so that any other employee will notice the defective equipment. It shall be the Company's responsibility to supply tags or other marking devices. This tag to be left on the vehicle in order to show the work has been completed and shall be removed by the out-going driver.
 - (f) The Company shall not compel any driver to operate a vehicle which weighs in excess of the legal gross weight limits. Where a driver with the knowledge of the Company operates with an overload and is convicted, the Company shall be responsible for any fines involved. Drivers who of their own accord, operate with an overload may be subject to discipline and responsible for their own fines.
 - (g) The Company shall supply a fire extinguisher and an adequate First Aid Kit for each service vehicle. Each uncovered service vehicle shall be equipped with a tarpaulin.
- 13.25 (a) Company Supplied Work Clothes: - The Company will provide rubber clothes, rubber boots, welders' gloves and welders' aprons as a tool crib item for shop and yard use. Hard hats will be issued by the Company for job use where required.
- The Company will further provide thermo coveralls on the basis of two (2) pair to each branch outside the Vancouver area plus two (2) pair as a tool crib item in the **Surrey** Branch.
- (b) Safety Boots:

Effective **December 13, 2005**, the Company shall, during each Collective Agreement year (May 1st to April 30th), reimburse each employee to a maximum of **one hundred and thirty dollars (\$130.00)** for the purpose of safety boots or shoes. Effective May 1, **2007**, this amount shall be increased to **one hundred thirty-five dollars (\$135.00)**. A proof of purchase must be presented in order to receive reimbursement. Unused amounts can be carried forward and accumulated within the term of the current contract.
 - (c) Felt Packs:

Field service only - to a maximum of **eighty dollars (\$80.00) per year** effective **December 13, 2005**. **Effective May 1, 2007 this amount shall be increased to eighty-five dollars (\$85.00) per year**. Present practice concerning felt packs to continue in Surrey.

- (d) New employees will be eligible upon completion of their probation period. New employees with less than twelve (12) months service shall receive a portion of the above allowance pro-rated to their seniority date.

13.26 Health and Welfare:

1. The Company shall provide coverage (at no cost to the employee) equal to Pacific Blue Cross (P.B.C.) Plan #89394; Manulife Financial Life Insurance Plan, A.D. & D. Citadel Plan #9220916; Life Insurance Plan #GH19652; B.C. Life & Casualty Weekly Indemnity Plan #89394.
2. Employees shall pay the premiums for the Long Term Disability Plan which coverage shall be no less than in Manulife Financial Plan #GH19653.

(a) Medical - B.C. Medical Plan with extended health benefits.

(b) Weekly Indemnity Insurance - Sickness and Accident Insurance shall be payable on the first day of disability due to an accident and on the fourth day of disability due to sickness for a period of twenty-six (26) weeks.

Effective December 13, 2005 the Company agrees to maintain weekly indemnity insurance at a level of **five hundred dollars (\$500.00)** per week.

(c) Group Life - Accidental Death Insurance:

The Company will contract and maintain the following minimum insurance coverage to cover all employees:

(i) \$40,000.00 - Group Life Insurance, effective May 1, 1998.

(ii) \$100,000.00 - Accidental Death Insurance (twenty-four (24) hour coverage).

(d) Eye Glass Coverage:

The Company shall provide for each employee and each dependent eye glass coverage to the maximum of one hundred dollars (\$100.00) per year. Unused amounts can be carried forward and accumulated within the term of the current contract.

(e) Dental Plan:

A Dental Plan shall be provided with coverage with Pacific Blue Cross (P.B.C.).

The Plan shall provide one hundred percent (100%) coverage for basic dental care and fifty percent (50%) of prosthetics, crowns and bridges on the following basis:

(f) New employees will be eligible for all coverage outlined in (a), (b), (c) and (d) on the first day of the month following completion of their probationary period.

(g) Long Term Disability:

The Company shall provide a Long Term Disability Plan which shall provide sixty percent (60%) of an employee's regular wages per month (maximum). Premiums to be paid by the employee and deducted monthly.

The Company shall provide and maintain B.C. Medical, Dental and Group Life Insurance while an employee is off work due to a Workers' Compensation claim. If an employee is off work as a result of a non-occupational accident or sickness, the benefits as outlined shall only be continued for a maximum period of twenty-six (26) weeks.

13.27 Sick Time:

The Company shall grant sick leave credits to each employee. These credits shall be granted on the following basis:

At the beginning of each service year with the Company an employee will receive credit for forty-eight (48) hours' sick leave to apply to the service year which is just commencing. Before reaching an anniversary date at which sick time will be received an employee will receive during the interim period, sick leave credit based on four (4) hours per month which will be accumulative to a maximum of forty-eight (48) hours. A new employee shall not receive sick time until he has completed his probationary period. When the probationary period is completed, sick leave accumulation will commence from the employee's seniority date.

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

Sick time shall be subject to the following provisions:

- (a) Sick leave shall be granted for an employee's personal use only.
- (b) An employee who reports sick during any day will have his sick leave allotment reduced by the number of hours not worked during that day.
- (c) Sick time is not to be used for any purpose other than legitimate illness. Sick time may be used for family emergencies.
- (d) All absence due to illness of a duration of more than three (3) consecutive scheduled work days shall require a doctor's certificate to an employee's department manager.

- (e) It is the responsibility of an employee to immediately notify his department supervisor of absence due to illness. If there is no notification, absence may be considered absence without pay.
- (f) A committee of three (3) comprised of an employee's supervisor, department manager and a Business Representative of the Union, shall rule on any contingencies not covered by these provisions.
- (g) In computing time served with the Company for purpose of determining eligibility for sick time with pay, it will be governed by an employee's commencement date with the Company.
- (h) All unused sick time per service year may be accumulated up to a maximum of thirty (30) extra days of sick time. Accumulated extra sick time may only be used after the annual six (6) days' sick time have been used up.
- (i) No pay or allowance will be made in lieu of sick time.
- (j) Sick time may be used for all medical visits including dentists.
- (k) There shall be a fifty percent (50%) payout of accumulated sick time upon retirement.

13.28 Pension Plan:

The Company shall make contributions at the rate of two dollars and forty cents (\$2.40) per hour for which wages are payable hereunder to each employee within the scope of this Agreement to the Company's Pension Plan.

Company to supply Union with Pension Plan Trust document.

The Company shall remit pension contributions for all annual vacation hours. Pension contributions shall be remitted to the Pension Plan on a monthly basis.

It is agreed that the Company's contributions to the Pension Plan shall exclude sick time hours and General Holiday Pay hours.

The Pension Plan shall provide for early retirement at sixty (60) years of age. Vesting shall be by mutual agreement between the parties on the following basis:

- up to one (1) year 50%
- one (1) year and over 100%

It is understood that years for vesting are years employed with the Company and not years participating in the Pension Plan.

Voluntary contributions will be allowed to the Pension Plan. The contributions will be on a percentage basis, elected once per year, allowed for new hires only once the vesting period has been reached and will not be considered when reallocating the contingency funds.

It is hereby agreed that upon Pension Payout, the contingency fund allocated to each employee shall be included in the payout. The payout shall be governed by the vesting structure described above.

The Company agrees that if the Union requests, the Company's auditors would perform a payroll audit pertaining to hours reported to the Pension Plan.

Employees will have a one (1) time declaration to remain with the Company Pension Plan or exercise their option for a Union Pension Plan. Any cost involved in changing from the Company Pension Plan to the Union Pension Plan will be the responsibility of the Union.

- 13.29 Outside Personnel - Training: - Customer employees, dealers, dealer employees and any others which the Company deems in its interest to provide training, are to be allowed to work in the shop with or without remuneration, receive instructions, training and work in whatever capacity is needed under the specific program that they are on, so long as no member of the regular employee group is displaced.
- 13.30 All vehicles coming onto the Company premises to be worked on by employees shall be in a sanitary condition.
- 13.31 Work Outside Company: - No employee shall undertake any work outside the Company premises which could be construed in any way as competitive with the Company. Violation of this will result in immediate dismissal of employee(s) involved.
- 13.32 Union/Management Joint Consultation: - On the request of either party, the parties shall meet at least once every two (2) months until this Agreement is terminated, for the purpose of discussing issues relating to the workplace that affect the parties or any employee bound by this Agreement.

ARTICLE 14: BANKED OVERTIME

14.01 Banked Overtime Option:

- (a) A minimum of one-half (1/2) hour of overtime must be worked in order to bank overtime.
- (b) Each employee must pick an option for the banking of overtime for six (6) month intervals. The options are as follows:
- (i) Overtime hours may be paid in wages at the applicable overtime rates; or
 - (ii) Overtime hours may be split, with the employee taking straight time pay for each overtime hour worked and banking the remainder to the maximum provided herein.
 - (iii) Overtime hours may all be banked to the maximum provided for in this Article.

14.02 Maximum Banked Time:

- (a) Each employee shall be entitled to bank a maximum of forty (40) straight time hours per year, to be taken as paid time off on a scheduled basis.
- (b) The Employer agrees to allow Kamloops and Sparwood to use up to two (2) days from the second unscheduled twenty (20) overtime hour bank to be "scheduled". These two (2) days may be cancelled within seven (7) days advance notice from the Employer. These two (2) days may be "rebanked" into the unscheduled bank.
- (c) All banked overtime in excess of the maximum will be added to the employee's bank for volunteered or required time off.

14.03 Scheduled Time Off:

- (a) Scheduled time off must be taken at times acceptable to the Company and the employee. The Company cannot unreasonably withhold approval from the schedule requested by an employee.
- (b) A Vacation Planning Schedule shall be posted in each Department and/or Branch for employees to schedule banked overtime off. The allotment of vacation time shall take precedence over Banked Overtime. The number of employees off on vacation and Banked Overtime shall not exceed the established number of employees entitled to be off on vacation at any one (1) time in a Department and/or Branch.
- (c) Once time off has been scheduled, it cannot be changed without thirty (30) day's notice by either the employee or the Company, except by mutual consent of the parties involved.
- (d) In the event that two or more employees attempt to schedule the same dates for time off, any conflict shall be resolved on a seniority basis within departments. However, once an employee has scheduled time off, that schedule cannot be altered by a more senior employee.

14.04 Volunteered or Designated Time Off:

- (a) Each employee shall be entitled to bank straight time hours in addition to the forty (40) hours provided for above. These additional hours must be taken during slack time or lay off periods when the Company determines that a reduction in the number of employees is required.
- (b) When a reduction in the number of employees is required, the Company will first provide the employees who have banked time the choice to volunteer to take time off. If there are no volunteers, or if further reductions are still required, the Company can then require employees with banked time to take such time off. The employees who are required to take banked time off will be designated in order of lowest seniority.

- (c) Within a Department in Surrey, or within any other Branch other than Surrey, all banked time must be taken before the Company utilizes the layoff provisions of the Agreement.
- (d) All time off under this provision will be in minimum blocks of eight (8) hours and the time off is counted as being part of the guaranteed paid time under Article 5 of this Agreement.

14.05 Limitations on Banked Overtime:

- (a) Banked overtime hours may be taken as sick time, with the prior approval of the Company.
- (b) Banked overtime can be accumulated, but not taken, while on temporary transfer.

14.06 Rebanking:

Each employee is limited to forty (40) hours of banked overtime to be banked for scheduled time off in each year. Once the forty (40) hours of scheduled time off has been banked, no additional scheduled banked overtime hours may be accumulated.

- 14.07 Straight Time Banking: - All hours banked are on the basis of the employee's straight time pay rate. Any differentials or premiums applicable to the overtime hours worked will be paid to the employee on the pay cheque for the period during which the overtime hours were actually worked.
- 14.08 Payout Rates: - The employee will receive his current rate of pay at the time that he uses banked time off, not the rate of pay which was applicable at the time the overtime was banked.
- 14.09 Overdrafts Prohibited: - An employee cannot create an overdraft by drawing more time from his bank than he actually has accrued. Only the employee's current balance will be paid out.
- 14.10 Retirement, Termination or Discharge: - At the time that an employee retires, terminates his employment, or is discharged, any unused time which he has banked will be paid out at his current rate of pay.
- 14.11 Optional Payout at End of Calendar Year: - At the request of an employee, the Company agrees to pay out all Banked Overtime which remains to the employee's credit, at the end of the calendar year, or at such other time as may be agreed to by the Company.
- 14.12 Carry Over From Year to Year: - An employee may elect to carry over banked overtime from one year to the next. Such banked overtime may be either within the "scheduled" category or in the "lay off or slack time" category, but in either case, it must be carried forward into the same category in which it was banked. Any hours carried forward from one (1) year to another, are counted as part of the forty (40) hour maximum which an employee can bank in each category.
- 14.13 Payslips: - The amount an employee has in the bank shall be shown on the employee's payslip.

ARTICLE 15: SAVINGS CLAUSE

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

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

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

Signed this _____ day of _____, 2006.

CUMMINS WESTERN CANADA

INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL 115

SCHEDULE "A"

	<u>May 1, 2005</u>	<u>May 1, 2006</u>	<u>May 1, 2007</u>
<u>CLASSIFICATIONS</u>			
Mine Field Service Mechanic	30.15	31.05	31.99
Field Service Mechanic	29.89	30.79	31.72
Generator Set Mechanic	28.18	29.03	29.90
Journeyman Mechanic	28.18	29.03	29.90
Probation Journeyman	27.77	28.61	29.47
Specialist Mechanic	27.72	28.55	29.41
Mechanics' Helper	18.57	19.13	19.70
Shop Cleanup Person	14.57	15.00	15.45

A one (1) time signing bonus of \$75 will be deposited to each employee's pension account in January 2006 if ratification of the contract is achieved by December 15, 2005.

Note: Pension Contribution shall be an additional \$2.40 per hour (see Article 13.29).

Designated Field Service Mechanic working 50% or more on mine sites will be entitled to the Mine Field Service Mechanic hourly rate.

MECHANIC HELPER CLARIFICATION:

Ratio: one (1) helper for each eight (8) journeymen and specialists up to thirty-two (32).

one (1) for eight (8) or portion thereof over thirty-two (32) journeymen and specialists.

Job Description:

Performs minor disassembly only while assisting a journeyman, cleaning and scraping of parts and components, exterior cleaning and staging of trucks, steam cleaning, cleaning of tools, bench area and shop service vehicles and other duties as may be mutually agreed upon by the Company and Union.

SHOP CLEAN-UP PERSON:

Job Description:

- Regular cleaning of the dyno and steam bays.
- Empty garbage containers.
- Crush used filters.
- Collect and empty oil and antifreeze containers.
- Clean and put away tools in the tool crib.
- Keep track of tool crib shop supplies.
- General clean up in the shops and yard.
- Other duties as may be agreed upon by the Company and the Union.

FIELD SERVICE MECHANIC:

Job Description:

1. Be willing to do all field service work that is required.
2. When required to stay overnight away from home, time will start when leaving the hotel and will continue until return.
3. Be paid when arriving at the customer's site when they are not required to report first to a Company location. Travel time beyond twenty (20) minutes travelling will be considered as time worked.
4. Be paid up to the time they leave the customer's site when they are not required to return to the Company's location. Travel time beyond twenty (20) minutes travelling will be considered as time worked.
5. For each 1500 hours of field work in a contract year, the Company shall have one (1) posted Field Service Mechanic in each Branch. These positions shall be posted, first by Department, then by Branch, then Company wide.
6. The designated Field Service Mechanic will be provided with a service vehicle and the correct tools required to perform duties and repairs requested by the customers. This vehicle may be used for personal transportation between their home and the Surrey Branch when they are not scheduled for a service trip.

NOTE: The Company will supply the Field Service hours for all Branches (including Surrey) for the contract year May 1, 1996 to April 30, 1997 and yearly thereafter.

GENERATOR SET MECHANIC:

Job Description:

A person with one or more of the following qualifications -

1. British Columbia Journeyman Electrician certificate.

2. British Columbia Journeyman Diesel Engine or Commercial Transport certificate.
3. British Columbia Journeyman Automotive certificate.
4. Satisfactory alternate training and/or experience in the diesel engine generator set field as determined by the Company.

In addition to the above, the person must be able to qualify for and obtain a Fire Protection Technician Certification (in the area of emergency power and lighting) from the Applied Science Technologists and Technicians of British Columbia.

A.01 Apprentices:

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

The length of an apprenticeship contract for a given trade shall be in accordance with the rules and regulations of the Provincial Apprenticeship Branch.

- (b) Registered apprentices shall be paid their regular wages based on a forty (40) hour week for all time spent at school. The amount of any Government grant received by such an Apprentice shall be deducted therefrom.
- (c) An Apprentice, having served his required time and having passed any necessary examinations presented by the Apprenticeship and Industrial Training Branch of the Department of Labour and those recognized manufacturer's examinations required by the Company will automatically be classified as a Journeyman.

The required Company examinations will be given approximately the same time as the Government examinations.

- (d) The number of Apprentices employed shall not exceed the ratio of one (1) Apprentice to each four (4) Journeymen.
- (e) The wage rate for an Apprentice shall be based on a percentage of the Journeyman's wage rate and where applicable the following scale shall apply:

APPRENTICE RATES - 4 YEAR CONTRACT

1st 6 months	50% of Journeyman rate
2nd 6 months	55% of Journeyman rate
3rd 6 months	60% of Journeyman rate
4th 6 months	65% of Journeyman rate
5th 6 months	70% of Journeyman rate
6th 6 months	75% of Journeyman rate
7th 6 months	80% of Journeyman rate
8th 6 months	90% of Journeyman rate

- (f) The employer shall be responsible for the preauthorization/registration of benefits payable through Human Resources Development Commission.
 - (g) The Company shall make contributions at the rate of two cents (\$.02) per hour for which wages are payable hereunder for each employee within the scope of this Agreement to the Operating Engineers' (Local 115) Joint Apprenticeship and Training Plan at 4333 Ledger Avenue, Burnaby, B.C.
- A.02 Northern Allowance: - Employees employed in branch offices in Prince George, or in branches north of the latitude passing through Prince George, will receive an allowance of twenty-five cents (25¢) per hour.
 - A.03 First Aid Man: - When an employee is designated as First Aid Man by the Company he shall receive sixty cents (\$.60) per hour above his classification.
 - A.04 Lead Hand: - **Effective December 13, 2005**, when an employee is designated as Lead Hand by the Company he shall receive **one dollar forty cents (\$1.40)** per hour above the highest classification under his supervision.
 - A.05 Where an employee works in a higher hourly wage classification, he shall be paid the higher rate for the hours worked in such classification.
 - A.06 New Job Classification or Wage Rate: - When a new job classification is introduced which is not included in the list of classifications in this Schedule, the Company and the Union shall promptly negotiate a wage rate.

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

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

LETTER OF UNDERSTANDING #1

BY AND BETWEEN:

CUMMINS WESTERN CANADA

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

RE: SUNDAY TO WEDNESDAY SHIFT

1. This shift shall only apply to employees hired subsequent to May 1, 1999 and employees hired prior to that date who volunteer for this shift.
2. In branches where this shift is initiated, layoffs will be from this Sunday to Wednesday shift first, before employees hired prior to May 1, 1999 are affected.
3. The standard work week shall consist of forty (40) hours on the day and/or afternoon shift, Sunday to Wednesday inclusive. Thursday, Friday and Saturday shall be regular days off, and any work performed on such days, or work in excess of the standard ten (10) hours per day, or work performed on a General Holiday shall be paid at overtime rates as provided for in this Agreement.
4. Where a General Holiday is not worked, and it falls on a regular working day, an employee shall be paid ten (10) hours pay for such holiday. If a General Holiday falls on an employee's scheduled day off, such employee may elect to be paid eight (8) hours for such holiday or elect to take another day off with ten (10) hours pay.
5. The day shift shall be for a duration of ten and one-half (10-1/2) hours, including a one-half (1/2) hour unpaid lunch break.
6. The afternoon shift shall be for the same duration, but shall include a one-half (1/2) hour paid lunch break.
7. A shift premium of **ninety cents (\$0.90)** per hour will apply to this shift.
8. This Letter of Understanding may be cancelled, with thirty (30) days notice, upon the anniversary date in each year of the current Collective Agreement, if either party feels that they have been taken advantage of, due to the implementation of this shift.

Signed this _____ day of _____, 2006.

CUMMINS WESTERN CANADA

INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL 115

LETTER OF UNDERSTANDING #2

BY AND BETWEEN:

CUMMINS WESTERN CANADA

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

RE: 1) WEDNESDAY TO SATURDAY SHIFT
2) MONDAY TO FRIDAY SECOND SHIFT - START TIME 2:00PM

1. The two shift modifications as noted above shall affect the Sparwood Branch only.
2. The standard work week shall consist of forty (40) hours. Sunday, Monday and Tuesday shall be regular days off, and any work performed on such days, or work in excess of the standard ten (10) hours per day, or work performed on a General Holiday shall be paid at overtime rates as provided for in this Agreement.
3. Where a General Holiday is not worked, and falls on a regular working day, an employee shall be paid ten (10) hours pay for such holiday. If a General Holiday falls on an employee's scheduled day off, such employee may elect to be paid eight (8) hours for such holiday or elect to take another day off with ten (10) hours pay.
4. This shift shall be for a duration of ten and one-half (10-1/2) hours, including a one-half (1/2) hour unpaid lunch break.
7. A shift premium of **ninety cents (\$0.90)** per hour will apply to this shift.
6. The hours of work for the Monday to Friday Second Shift shall be from 2:00PM to 10:00PM. All other terms and conditions of Clause 5.02 shall apply.
7. This shift will not rotate and shall be assigned as per Company seniority.
8. This Letter of Understanding is made without prejudice to the Collective Agreement and may be cancelled, by either party giving thirty (30) days written notice to cancel.

Signed this _____ day of _____, 2006.

CUMMINS WESTERN CANADA

INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL 115

6. TRAVEL TIME: As per Master Agreement.
7. **OVERTIME: As per the Master Agreement.**
8. Where an employee is required to report for work prior to his scheduled starting time in order to perform overtime work, and where the employee has received notice of the requirement prior to the end of his preceding shift, overtime premiums only shall apply to such work.
9. CHANGE OF SHIFT:
 - (a) When it is necessary for the Company to change an employee's shift, the employee shall be given forty-eight (48) hours' notice prior to the commencement of this previous regularly scheduled shift. In the event that the forty-eight (48) hours' notice is not given, the employee shall be given two (2) times his basic rate for all hours worked on the first shift of the change.
 - (b) Twelve (12) hour employees given a shift change shall have a clear twenty-four (24) hours off from the end of their last shift worked to the beginning of the new shift.
 - (c) Where a change of shift results in an employee working a schedule which is not a recognized schedule, the applicable overtime rate shall be paid for the shifts that are different than the recognized schedule.
10. CHANGE OF SCHEDULE:
 - (a) When a change to an employee's work schedule takes place, the effective date of the new schedule will commence after the employee's previously scheduled days of rest. Where the employee works his scheduled days of rest, the applicable overtime rates will apply.
 - (b) The new schedule can commence on the day of work or a day of rest. Therefore, the new schedule may result in additional day(s) of rest and, accordingly, a reduction of earnings when compared to the previous work schedule. In such cases, the employee will be provided with options as to how the transition to the new schedule can take place, with the opportunity to maintain his earnings as close as possible to the original schedule within the appropriate payroll period.
 - (c) With reference to employees on a 12 hour work schedule, where an employee's vacation entitlement would require him to return to work in the middle of a work schedule, the employee may request a leave of absence without pay and/or a floating holiday for the remainder of that week's schedule. In such cases, employees requesting leave of absence and/or a floating holiday to bridge vacation entitlement to regular days off shall receive first preference over the other leave of absence requests for the same period, provided such requests are received well in advance of the vacation period and would not result in the cancellation of another employee's leave of absence which had been previously approved.
11. A shift is defined as the hours of work with a twenty-four (24) hour period.

12. A schedule is defined as days of work and the associated days of rest. Days of rest follow the days of work.

13. CREW/SCHEDULE CHANGE:

When a need is identified by the Company to change employees from one crew or schedule to another, on a permanent basis, the following will apply.

(a) The Company will provide reasonable notice to the employees of the change required. Employees who wish to change will **contact the appropriate manager with their** request.

(b) Selection for the new positions will be by seniority and subsequent positions not filled will be made by **the** Company assigning **qualified** junior employees required to move.

14. SHIFT EXCHANGES:

Employees who have reciprocal skills may request to exchange a shift(s) to obtain personal time off. Where approved, this will be at no extra cost to the Company.

The request shall be submitted in writing to **the service or branch manager** and be made at least one work cycle in advance of the first shift of the exchange. The Company will respond no later than seventy-two (72) hours prior to the first shift of the exchange.

The Company will not unreasonably deny the request for shift exchanges, nor will employees be permitted to exchange shifts with themselves so as to alter their schedule.

15. The Union and the Company will meet every three (3) months **or as necessary** to **build trust by discussing** any issues that arise **with respect** to this **Letter of Understanding** and attempt to resolve them, **bearing** in mind the interests of **the customer and** both parties.

16. This Letter of Understanding may be cancelled **within ninety (90) days of the yearly anniversary of the Collective Agreement.**

17. All other conditions of employment are as per the Master Agreement.

18. The marshalling point at Sparwood shop is agreed, unless otherwise mutually agreed upon.

Signed this _____ day of _____, 2006.

CUMMINS WESTERN CANADA

INTERNATIONAL UNION OF
OPERATING ENGINEERS, LOCAL 115

LETTER OF UNDERSTANDING #4

BY AND BETWEEN:

CUMMINS WESTERN CANADA

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

RE: PERMIT FEES

It is agreed by the parties that a process for ensuring that Permit Fees will be instituted for the Sparwood Branch.

The process is as follows:

Before an employee of Cummins Western Canada who is not a member of the IOUE Local 115 arrives at the Sparwood branch to assist with technician vacation relief or workload the IUOE office or Reese Evans must be notified.

The Company will be responsible for notifying Reese Evans at either (604) 473-5211 (office) or (604) 785-8714 (cell). Alternatively, the Company can call the Union Hall Dispatch Line at (604) 473-5230. The Dispatch Office will be aware of this agreement.

The Company will also be responsible for the payment of permit fees. These fees will be the current Mine Field Service Mechanic Rate times 2.5 hours at the time of the permit being issued. This is a flat rate that will apply each time the Company calls an employee to Sparwood regardless of the length of time they are utilized.

The Union will invoice the Company for these permit fees.

Signed this _____ day of _____, 2006.

CUMMINS WESTERN CANADA

INTERNATIONAL UNION OF
OPERATING ENGINEERS, LOCAL 115

COMFORT LETTER #1

BY AND BETWEEN:

CUMMINS WESTERN CANADA

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

RE: SUB-CONTRACTING -- ARTICLE 13.15

It is understood by the parties that sub-contracting may be necessary.
However, this Article does not alter present sub-contracting relationships and practices.
Quarterly meetings may be held, if required, to discuss any contracting out of work.

Signed this _____ day of _____, 2006.

CUMMINS WESTERN CANADA

INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL 115

COMFORT LETTER #2

BY AND BETWEEN:

CUMMINS WESTERN CANADA

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

RE: TEMPORARY STAFFING TO ACCOMMODATE TRAINING OF BRANCH STAFF -
ARTICLE 13.30 (b)

Cummins Western Canada understands the purpose of this proposed article addition and as such will try not to cancel a branch employee's training once it has been scheduled.

The Company will decide if temporary staffing is necessary for the term of the training. Exceptions to this will be the necessity to satisfy a customer's need for support or circumstances beyond Cummins Western Canada's control, i.e. training material, presenter(s), insufficient class size, etc.

Signed this _____ day of _____, 2006.

CUMMINS WESTERN CANADA

INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL 115

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