

MAXAM METAL PRODUCTS LTD.

**SHEET METAL WORKERS' INTERNATIONAL ASSOCIATION
LOCAL UNION NO. 280**

(PRODUCTION WORKER SECTION)

PRODUCTION AGREEMENT

June 1, 2005 - May 31, 2010

AGREEMENT

This Collective Agreement named for reference the **PRODUCTION AGREEMENT** and dated the 1st day of June 2005

BY AND BETWEEN:

PRODUCTION AND SIGNATORY COMPANIES

(Hereinafter referred to as “the Company” or “the Employer”)

PARTY OF THE FIRST PART

AND

**SHEET METAL WORKERS’ INTERNATIONAL ASSOCIATION
LOCAL UNION NO. 280 ON BEHALF OF ITS PRODUCTION
WORKERS SECTION**

(Hereinafter referred to as “the Union”)

PARTY OF THE SECOND PART

Establishes by mutual consent the following terms and conditions:

ARTICLE 1 - PREAMBLE

- A. The general purpose of this Agreement is to establish uniform and fair wages, hours and working conditions for all Employees of the Company covered by the terms of this Agreement; to prevent strikes and lockouts by peaceful adjustment of all grievances and disputes which may arise between Employer and Employee and to prevent waste, unnecessary and avoidable delays and expense so that labour or other costs may be as low as possible, consistent with fair wages and working conditions.

- B. This is a multi-purpose Agreement that is applicable in its general form to manufacturers of “production” sheet metal, plastic and related products. Also, it may be applicable to maintenance and other services. It applies only indirectly to the sheet metal trade of the building and construction industry. The Employee-members directly covered shall be termed “Production Workers”, shall not do the work of the Sheet Metal Worker or Roofer, and shall not be required to qualify as Sheet Metal Workers or Roofers under the terms of the Apprenticeship and Tradesmen’s Qualification Act.

ARTICLE 2 - SCOPE OF AGREEMENT

- A. This Agreement shall apply to all Employees engaged in fabrication, production, servicing and related work in or from the shop or plant of the Employer, excluding Management personnel, office staff and Journeyman Sheet Metal Workers, Roofers and their Apprentices hired in accordance with Sections “C” and “D” of this Article.
- B. A general list of the products fabricated or services rendered with description of the type of plant is contained in Schedule “D”, attached to and part of this Agreement. Such products shall be termed “Production” articles.
- C. All fabrication work falling within the regular jurisdiction of the sheet metal trade and coming in direct competition with Employers signatory to the Standard Form of Agreement of Local Union No. 280, (e.g. ventilation and air-conditioning work, kitchen equipment, architectural and general sheet metal work, etc.) shall be paid at the rate and conditions of the Standard Agreement.
- D. All field work coming within the trade jurisdiction of the Sheet Metal Worker or Roofer of the building and construction industry shall be done by Journeymen of Local Union No. 280, at the appropriate rate and conditions.

All Employees required to hold a Sheet Metal Tradesmen’s Qualification Certificate under the terms of the Apprenticeship and Tradesmen’s Qualification Act shall be Journeymen Members of Local Union No. 280 and shall be employed in accordance with the terms of the Standard Agreement (S.M.) of Local Union No. 280.

ARTICLE 3 - MANAGEMENT RIGHTS UNION RESERVATIONS

- A. Within the framework of this Agreement, the Company reserves the exclusive right to manage the business, to decide the products it will manufacture, the services it will render, the methods by which the work will be done and the general standards of workmanship.
- B. Also, within the framework of this Agreement, the Company reserves the right to engage, discharge, suspend, or discipline Employees for just cause, to promote or transfer Employees from one department to another, to increase or decrease the working force and to make reasonable rules for the safety of the plant and for the guidance and safety of its Employees.
- C. It shall not be considered a violation of this Agreement for members to respect legal picket lines.
- D. The Union reserves the right to render assistance to other labour organizations.

ARTICLE 4 - UNION SECURITY

- A. The Union shall be the sole bargaining authority for all Employees covered by this Agreement and it is agreed that all present and future Employees coming under the scope and provisions of this Agreement shall become members of, and/or maintain membership in the Union.

All new Employees shall be informed of this Section.

Union membership will be available to all on an equal basis without discrimination, subject only to the By-Laws and Constitution of the Union.

- B. The Company agrees to notify the Union when additional Employees are required; it is understood however, that in the event that the Union is unable to supply the requirements of the Company for additional Employees after reasonable notice, forty-eight (48) hours, these additional Employees may be secured from other sources, provided that the Employees so obtained shall first obtain a "clearance" from the Union.

This obtaining of a "clearance" from the Union shall ensure that all Employees are proper members or applicant-members of the Union, have properly signed appropriate dues check-off cards, and have qualified themselves for benefits in due course under the International Accident Benefits *Plan*. Where, due to distance involved and where a hardship would be evident for a potential Employee to obtain "clearance" from the Union Office, arrangements may be made for proper "sign-up" by the responsible Shop Steward.

- C. The Company agrees to deduct each month from the earnings of each and every Employee covered by this Agreement, such sum by way of monthly dues as may be fixed by the Union, or such sum as payment or partial payment on an initiation fee as may be fixed by the Union under the provisions of its Constitution.

The total monthly amount to be deducted shall be deducted from the first pay of the month of each Employee and promptly remitted to the Union by the fifteenth day of the month, together with an itemized list of the names of the Employees to whom said monies are to be credited. Should any Employee have no earnings due him on the first pay of the month, deductions shall be made from the next succeeding pay of the Employee.

ARTICLE 5 - REPRESENTATION

- A. Business Representatives of the Union shall have access to the shop or plant during lunch hours for conducting Union business, but at other times shall first ask permission of the Management.
- B. A Shop Steward shall be recognized and shall not be discriminated against for the performance of his duties within the terms of this Agreement.
- C. The Employees of the Company who are Production Members of the Union shall elect a Shop Committee, consisting of a Chairman and two members, and the Company shall recognize same.
- D. The Chairman of the Committee shall be considered the Shop Steward.
- E. Management-Shop Committee meetings shall be held when so desired by the Shop Committee Chairman and/or Management. These joint meetings shall consist of the Shop Committee members, the Shop Foreman or Superintendent, a responsible Manager or Director of the Company and the Business Representative of the Union if able to attend. Meetings shall be held as necessary on _____, preferably at _____ p.m., but not oftener than once a week.
- F. These joint meetings shall handle and process any grievances as outlined in the following Article. Questions of safety, health, etc. shall be proper topics of discussion and settlement by these joint meetings. The joint meeting shall also function as a Production Committee, as both Parties to this Agreement commit themselves to the fullest co-operation with the object of maintaining and uninterrupted production in the plant.

ARTICLE 6 - GRIEVANCE PROCEDURE

- A. "Grievance" shall mean any difference or controversy by and/or between the persons or Parties bound by this Agreement, concerning its terms, interpretation, application, operation or alleged violation thereof. It shall further mean differences concerning alleged violation of existing social or labour legislation.
- B. Attempts shall be made in the first instance to settle all grievances by informal discussion between the Parties hereto. Except in the case of wage claims or claims on fund payments, all grievances shall be first presented within thirty (30) days of awareness by the aggrieved, or judged to be abandoned.
- C. Should informal discussion fail to achieve a solution, either Party may invoke a sitting of a Special Joint Committee composed of six (6) persons; three (3) persons to be nominated by each Party. This Joint Committee shall meet within three (3) days of its invocation. If this Joint Committee should fail to effect a settlement, the grievance may be referred to an Arbitration Board by either Party.

ARTICLE 7 - ARBITRATION

- A. When requesting Arbitration of the other Party to a dispute, the requesting Party shall, at the same time and in the same communication, state who its nominee on the Arbitration Board shall be.
- B. Upon receipt of the above communication, the other Party shall, within five (5) days inform the initiating Party of its nominee to the Arbitration Board.
- C. The Labour Relations Board shall be asked to appoint a nominee, if the conditions of Sub-Section "B" above are not met within the required time.
- D. The two nominees or appointees shall, within five (5) days, endeavour to agree upon a Chairman; if they are unable to do so within the required time, the Minister of Labour shall be requested to appoint a Chairman.
- E. The Arbitration Board shall meet and render their decision within ten (10) days of the Chairman's appointment, unless an extension of time is mutually agreed upon.
- F. The question of whether a particular dispute is arbitrable, is itself a matter for the Arbitration Board.
- G. Each Party shall stand the cost and expense of its own nominees to an Arbitration Board and one-half the cost and expense of the Chairman.
- H. The decision of the Arbitration Board shall be final and binding on all Parties.

ARTICLE 8 - WAGE RATES AND CLASSIFICATIONS

- A. Wage rates shall be as shown in Schedule "A", attached and part of this Agreement.
- B. Labour classifications shall be as laid out in Schedule "B", attached to and part of this Agreement.
- C. Should new classifications be required that do not obviously fit into the attached Schedule of Classification, the Union and the Company shall immediately sit down and negotiate a satisfactory name and wage rate for such new classification. The agreed rate will become part of this Agreement.

ARTICLE 9 - HOURS OF WORK, OVERTIME AND SHIFT WORK

- A. Regular workdays shall be from Monday to Friday inclusive and regular work hours shall be from 7:00 a.m. to 5:00 p.m. The regular workweek shall be forty (40) hours and the regular workday shall be eight (8) hours.

Within the forty (40) hour workweek, if a Member loses hours of work due to unspecified causes, he shall be entitled to make up time lost within the pay period or at the earliest opportunity at the straight time rate of pay, with mutual consent between the Employee and the Employer.

- B. The first three (3) hours of overtime on a weekday shall be paid at time and one-half (1 ½) and double time thereafter.

The first eight (8) hours worked on a Saturday shall be paid at time and one-half (1 ½) and double time thereafter. Sundays and Statutory Holidays shall be paid at the double time rate. All work performed outside the regular hours of labour (except as noted in Section "C" of this Article) and all work performed on Saturdays, Sundays and Statutory Holidays shall be considered as overtime.

- C. When it is found necessary to work what is generally known as a second or third shift, the hours of work and payment thereof shall be as follows:

Seven and one-half (7 1/2) hours shall constitute the second shift for which eight (8) hours' wages and "fringes" shall be paid;

Seven (7) hours shall constitute the third shift, for which eight (8) hours' wages and "fringes" shall be paid.

If it is found necessary to transfer an Employee from one shift to another, a period of at least one (1) full shift must elapse between shifts worked.

There shall be a period of at least two (2) full shifts elapse for shift transfer of an Employee at the weekend.

- D. It is agreed that all Employees must be at their work at the start of each shift, and must not leave their work without just cause until they have completed their full shift of hours.

ARTICLE 10 - HOLIDAYS AND VACATIONS

A. The recognized “Statutory Holidays” that shall be observed are:

New Year’s Day	Labour Day
Good Friday	Thanksgiving Day
Easter Monday	Remembrance Day
Victoria Day	Christmas Day
Canada Day	Boxing Day
B.C. Day	

and any other day declared as such by the Provincial or Federal Governments.

When a Statutory Holiday(s) falls on a Saturday or a Sunday, the following or preceding workday(s) shall be observed.

- B. 1. Employees shall receive combined Holiday and Vacation Pay at the rate of twelve percent (12%) of gross earnings. This shall represent six percent (6%) for three (3) week annual Vacation and six percent (6%) for Statutory Holidays.
2. *Part-time employees shall receive combined holiday and vacation pay at the rate of eight percent (8%) of gross earnings for the first four (4) years which shall represent four (4) percent for two (2) weeks annual vacation and four (4) percent for statutory holidays.*
3. *Part-time employees in the fifth and following years shall receive combined holiday and vacation pay at the rate of ten percent (10%) of gross earnings, which shall represent six percent (6%) for three (3) weeks annual vacation and four percent (4%) for statutory holidays.*
- C. If an Employee works on a Statutory Holiday, he shall receive the appropriate overtime rate of pay plus six percent (6%) as stated in the preceding paragraph.

Every worker covered by this Agreement shall be entitled to three (3) additional holidays that shall, with mutual consent not unduly withheld, be observed by giving his Employer one (1) weeks notice of his intentions. It being understood that job conditions may dictate the particular days these holidays are to be observed.

- D. The foregoing Holiday and Vacation Pay shall be paid to the Employee on each and every paycheque.

ARTICLE 11 - YEARLY VACATIONS

- A. 1. Employees shall receive three (3) weeks Annual Vacation with pay, the payment for which shall be on the basis of six percent (6%) of their gross earnings of the preceding period. The time taken shall be rated, based on the fact that two percent (2%) of an average year's earnings is equal to one (1) week's vacation.
- 2. *Part-time employees refer to Article 10 Section B Paragraphs 2 and 3.*
- B It shall be a violation of this Agreement for an Employee to forego his paid vacation or to work for wages during the vacation period.

Vacations to be taken at a time mutually agreed upon by Management and Employees.

ARTICLE 12 – COMPANY HEALTH BENEFIT PLAN

- A** *Maxam Metal will supply a Health Benefit package equal to the Sheet Metal Workers’ Local 280 Standard Health Benefit Plan.*
- B** *Employees hired after March 1, 2006 who work full time shall be provided by the Company with BC Medical after completion of 3 months of employment and the complete Company health benefit program after completion of 6 months of employment.*

The Company will supply B.C. Medical along with the Health Benefit Program, and they will supply the forms the employees need and administer the same.

The Company will pay the premiums while the employee is on vacation and if the employee is on WCB & Extended Health Benefit the premiums would be paid to a maximum of 12 months

Part time employees refer to Schedule “B” on page 29..

- C**
- 1. The Company will allow retired employees to remain on the benefit program if they choose to pay the premiums. The Company will apply the same retirement concept as Union, Local 280.*
 - 2. A single retired person pays 60% of the MSP cost plus 60% of ALL premiums in total including the MSP.*
 - 3. A retired couple or family pays 60% of all total costs including the MSP.*

Retirees do not qualify for wage indemnity or dental plans B & C and life insurance continues as per paragraph D. There is no medical exam to qualify for the life insurance at any time.

- D.** *Your group life insurance amount is \$50,000.00 while covered up to and including the last day of the month in which you attain age 65. On the first day of the month immediately following your 65th birthday it will reduce to \$30,000.00 and it will reduce by \$5,000.00 annually thereafter until it reaches \$10,000.00 (age 69 and over) and thereafter it will remain level subject to your making any personal contributions on time and the continuation of this plan.*

D ARTICLE 14 - MISCELLANEOUS PROVISIONS

- A. Coveralls - All Employees after thirty (30) working days, shall be provided with Coveralls and the cleaning of same by the Employer.

ARTICLE 15 - REST PERIODS

- A. Employees shall be entitled to two (2) ten minute rest periods each day; one (1) period before and one (1) period after lunch break.

ARTICLE 16 - SAFETY AND HEALTH

- A. All Parties agree to accept, promote, and conform to the Accident Prevention Regulations of the Workers' Compensation Board.
- B. It is agreed that clean and adequate lunchroom and toilet facilities shall be available to work force.
- C. Failure to abide by Workers' Compensation Board Regulations may be just cause for dismissal.

ARTICLE 17 - TERMINATION

A. Temporary Layoff

The Employer will comply with any provisions of the Employment Standards Act relating to temporary layoff.

B. Permanent Layoff

The Employer will comply with any provisions of the Employment Standards Act relating to permanent layoff.

C. Discharge and Termination

(1) It is hereby agreed that the Employer has the right to discharge for just cause and notice or pay in lieu of notice may be forfeited in the event of such discharge, at the Employer's option. The Employer will provide the Employee with a statement, in writing, if requested, clearly establishing the reasons for such discharge, with a copy to the Union at the time of discharge.

(2) If an Employee quits such Employee shall forfeit any severance benefits.

ARTICLE 18 - ACCIDENT

- A. Where a man is injured during the first half of a shift, he shall be paid a minimum of four (4) hours for that shift. Where he is injured in the second half of a shift, he shall be paid a minimum of eight (8) hours for that shift.

ARTICLE 19 - BULLETIN BOARD

- A. A Bulletin Board shall be made available by the Company for the exclusive use of the Union and for the posting of this Agreement and other Union notices.

ARTICLE 20 - UNION LABEL

- A. During compliance with all the provisions of this Agreement, the Company may by arrangement with the Union display the Union Label of the Sheet Metal Workers' International Association on any or all items produced exclusively under the terms of this Agreement.
- B. The Company agrees that all Union Labels shall be the property of the Union and said permission to display the Union Label may be revoked by the Union for causes the Union deems adequate.
- C. The blue Union Label shall be used on "Production" articles. The yellow Label shall only be used on "Trade" articles fabricated in accordance with Article 2, Section "C".

ARTICLE 21 - AMENDMENTS

- A. By mutual agreement between the Parties to this Agreement, any Article or Section thereof may be amended, revised or deleted, or new Articles or Sections added during the life of this Agreement.
- B. For convenience, any such amendments, deletions or additions will be put in the form of a duly signed Schedule "F", which will be attached to and become part of this Agreement.

ARTICLE 22 - SAVINGS AND DEPOSITION

- A. It is assumed by the Parties hereto that each provision of this Agreement is in conformity with all applicable laws. Should it later be proven that it would be a violation of any legally effective order or statute to comply with any provision or provisions of this Agreement, both Parties agree to promptly renegotiate such provision or provisions of this Agreement for the purpose of making them conform to such orders or statutes and the other provisions of this Agreement shall not be affected thereby.

- B. Copies of this Agreement shall be deposited with the Minister of Labour and with the Labour Relations Board.

ARTICLE 23 - TECHNOLOGICAL CHANGE

- A. In view of the possible impact on manpower and conditions of employment resulting from technological changes and automation, it is agreed that the Parties hereto utilize to the best advantage of the Company and the Employees all scientific improvements and establish a committee to be known as the Committee on Automation, consisting of equal representation by the Employer and the Unions. The Committee's duties shall be to investigate and submit recommendations on all aspects of automation, mechanization and new methods, and to include the following:
- training and retraining
 - alternate employment opportunities within the Company.
- B. In addition, the Company will, if possible, inform the Committee six (6) months prior to the introduction of any new equipment which will require extensive retraining or will result in loss of employment.
- C. In addition, the Company will co-operate with the Unions and the Government in matters of training and retraining.
- D. Both Parties further agree to any further requirements stated in the Labour Relations Code on Technological Change.

ARTICLE 24 - DURATION OF AGREEMENT

- A. All provisions of this Agreement shall be effective as from June 1, 2005 and for the period ending May 31, 2010 and shall continue in force and effect from year to year thereafter, unless either Party shall desire within a period of four (4) months prior to May 31st in any year, and the established wage scales and conditions specified herein shall continue in force and effect pending negotiations and settlement of any proposed changes suggested by either Party.

- B. It is mutually agreed that if the term of this Agreement should be for more than one (1) year, that the provisions of Section 50, Sub-section 2 of the Labour Code of British Columbia Act shall be excluded from the operation of this Agreement.

IN WITNESS AND TESTIMONY of the provisions and terms mutually agreed upon and specified herein, the duly authorized Officers and/or Representatives of both Parties hereby affix their signatures.

Maxam Metal Products Ltd.
Name of Company

S.M.W.I.A.
Local Union No. 280
Name of Union

Name and Title

Name and Title

Name and Title

Name and Title

PARTY OF THE FIRST PART

PARTY OF THE SECOND PART

Witness

Date

Seal

Seal

STANDARD (LIGHT) PRODUCTION

SCHEDULE "A"Wage Rates

<u>CLASSIFICATION</u>	<u>Jan 30,</u> <u>2006</u>	<u>May 31,</u> <u>2006</u>	<u>May 31,</u> <u>2007</u>	<u>May 31,</u> <u>2008</u>	<u>May 31,</u> <u>2009</u>
Foreman	22.20	22.86	23.52	24.18	24.84
Production Worker	20.74	21.40	22.06	22.72	23.38
Welder	20.32	20.98	21.64	22.30	22.96
Experienced Help II	16.06	16.72	17.38	18.04	18.70
Experienced Help I	13.92	14.58	15.24	15.90	16.56
Inexperienced Helper	10.64	11.33	11.96	12.62	13.28
Shipper	\$10.64	\$11.33	\$11.96	\$12.62	\$13.28
General Labour & Packers	10.00	10.00	10.00	10.00	10.00
Part-time	10.00	10.00	10.00	10.00	10.00

Note: All employees paid different than those shown above shall receive the appropriate increase in pay on the anniversary date of the Collective Agreement.

Initialed: _____

SCHEDULE "B"**Classification Definition****Inexperienced Help**

Employees who have had less than fifteen (15) months experience in the metal working industry.

Experienced Help I

Employees with more than one (1) year experience in this or a compatible plant operation.

Experienced Help II

Employees with more than two (2) years experience in this or a compatible shop operation. They must also be able to operate most shop equipment, tack weld and do basic prime painting.

Production Worker

Must be able to set-up and operate all shop equipment required and produce at a rate satisfactory to shop requirements. Should be able to read and work from all normal shop drawings or blueprints. Must have a working knowledge of all shop practices and possess the hand tools necessary to adequately fulfill the job requirements of this classification.

Foreman

Capable of overseeing all production work and production personnel.

Welder

Must be able to operate welding equipment required for the normal shop production without supervision. A welding ticket shall be required for this work.

SCHEDULE "B"

Classification Definition (continued)

Shipper

Must be able to assemble and package all normal shop products from packing slips, contact the necessary carriers and make up waybills.

Part-time Employees and General Labour and Packer

There may be a maximum ratio of 1 Part-time employee for every 2 full-time employees. They shall not work more than 6 hours per day or 30 hours per week. They shall receive BC Medical only, after 90 days of employment and 8% Vacation and Statutory Holiday pay.

It is agreed by both Parties that no Employee of the Company employed prior to the effective date of this Agreement shall suffer a reduction in wages as a result of its implementation, and it is further agreed to by both Parties that no one now employed or employed in the future, shall be transferred, assigned new duties, or rehired at a lower rate of pay than he is now receiving unless specific authorization is granted by the Union.

Initialed: _____

SCHEDULE "D"**Plant Description, "Production" Articles, or Services**

The Production shop of the Employer is engaged in the manufacture and fabrication of production items for resale as listed below. Also, the custom power shearing and braking of metal items not directly related to the sheet metal trade of the building and construction industry.

Standard Access Doors
 Automatic Dampers (Control, etc.)
 Grills
 Ventilators (Gravity and Powered)
 Standard Hollow Metal Doors and Frames
 Machine Guards, when supplied to machinery manufacturing only
 Raceway Channels and Elbows
 Lay-in Duct Electrical
 Electrical Support Channel - Brackets
 Kick Plates and Corner Guards
 Pipe Saddles and Hangers (but not for Duct Work)
 Pipe Clamps and Supports (as above)
 Gas and Water Tanks
 Racks and Shelves
 Hand Rails and Cat Walks
 Standard Lockers
 Standard Manufactured Eavestrough and Downpipe
 Electrical Enclosures
 Process Control Cabinets and Consoles (Electrical)
 Sound Attenuators
 Custom Shearing and Forming - (not to include work falling within the
 jurisdiction of Local 280)
 Steam Cleaning
 Louvers
 Dampers (Balancing or Fire)
 Cab Pattern Work
 Boat Tanks
 Convector Covers
 Coils and Convectors (Fin Tube Type)
 Penthouse - Louvered
 Painting
 Air Diffusers - Grills - Registers
 Radiator and Air Conditioning (Enclosures)
 Dust Collecting System (Bag Houses)

Initialed: _____