

BRITISH COLUMBIA

COLLECTIVE AGREEMENT

(October 21st, 2002 - October 20th , 2005)

between

AUTOTOTE CANADA, INC.

and

SERVICE EMPLOYEES INTERNATIONAL UNION, and its
LOCAL 244, RACETRACK and GAMING WORKERS UNITED

TABLE OF CONTENTS

<u>Article</u>	<u>Subject</u>	<u>Page</u>
1	Recognition	1
2	Jurisdiction	2
3	Union Security	3
4	Check-Off	4
5	Management of the Business	5
6	Wages	6
7	Workweek and Overtime	6
8	Cancellation of Race Performance	8
9	Holidays	9
10	Vacations, Bereavement, Jury Duty, Leave	10
11	Seniority (Job Bidding)	12
12	Travel and Living Allowance	16
13	New Hires	19
14	Assignment of Employees	20
15	Welfare Benefits	20
16	Discipline	22
17	Severance Pay	22
18	Sick Leave	24
19	Helpers	25
20	No Strikes or Lockouts	27
21	Grievance and Arbitration	27
22	Union Representation	29
23	Miscellaneous	30
24	Tuition Reimbursement	31
25	Term of Agreement	32

AGREEMENT

AGREEMENT entered into between AUTOTOTE CANADA INC., (hereinafter referred to as the “Employer” or the “Company”) and SERVICE EMPLOYEES INTERNATIONAL UNION and its LOCAL 244, RACETRACK and GAMING WORKERS UNITED, (hereinafter referred to as the “Union.”)

WHEREAS, the parties have carried on collective bargaining negotiations for the purpose of developing a general Agreement on wages, hours of work and other conditions of employment; and

WHEREAS, the parties are desirous of establishing harmonious relations and settled conditions of employment and other mutual beneficial relations between them, hereto agree with each other with respect to the employees of the Employer recognized as being represented by the Union as follows:

ARTICLE 1

RECOGNITION

- 1.01 The Employer recognizes the Union as exclusive bargaining representative for all of its employees in the Province of British Columbia (excluding all salaried and office employees, watchmen, guards, and professional, executive and supervisory personnel) for collective bargaining with respect to wages, hours of work, and other conditions of employment.

- 1.02 The Employer and the Union shall, on the negotiations for the renewal of this Collective Agreement, coordinate such negotiations to take place at the same bargaining table with the negotiations for the renewal of any other collective agreements between the Employer and the Union, which have the same expiry date as this Collective Agreement, in any other province in Canada. Such coordinated negotiations shall cease upon the commencement of conciliation and/or mediation. Such coordinated negotiations shall take place in the City of Toronto unless the parties agree to a different location.

ARTICLE 2

JURISDICTION

- 2.01 This Agreement shall cover all work performed by the Employer of maintenance, repair and modification of totalisator systems, whether on-track or off-track betting operations, lottery operations, telephone betting and simulcasting, including the maintenance, repair and modification of ticket issuing machines, infield indicator boards, cables, auxiliary power sources, central control equipment and related pari-mutuel equipment, operation of the system including operation of computers and peripheral equipment and the physical work required in connection with the maintenance, repair and modification of computers and associated equipment.
- 2.02 Maintenance, repair and modification shall include the testing, repairing, modifying, plugging, unplugging, moving, shifting, and associated hookups. It is

understood that at OTB parlor installations, parlor personnel may plug and unplug terminals and related equipment.

2.03 The Employer may, at its option, have any of the above-described equipment returned to the manufacturer, or to its own repair facilities, for major repair or modification.

2.04 It is the intent of the parties hereto that all work covered by this Agreement, as set forth above, shall be performed exclusively by members of the Union. It shall not, however, be construed as a violation of this collective bargaining agreement for managers (previously excluded by NLRB ruling) to continue to perform the duties they previously performed. This clause shall not be used to subvert the bargaining unit and managers shall not displace bargaining unit employees.

2.05 In addition, at all locations, customer personnel can change paper and clear paper jams which do not require tools or dismantling of machines. Furthermore, at remote sites without live racing, customer personnel, in addition to the items specified above, may also plug and unplug terminals and related equipment.

ARTICLE 3

UNION SECURITY

3.01 All employees shall, as a condition of employment, be or become members of the Union on the 31st day following the effective date of this Agreement, or the 31st day following the beginning of their employment, whichever is later.

ARTICLE 4

CHECK-OFF

- 4.01 All employees shall begin paying Union dues in the first full month following their date of hire. The Employer shall deduct from each employee within the bargaining unit, the initiation fee, and from the first pay of each calendar month the monthly dues levied by the Union as directed by the Secretary-Treasurer of the Union. It shall be a condition of employment, or remaining in the employment of the Employer, that each employee agrees to such deductions. The Employer agrees to secure from each newly hired employee and the Union agrees to secure from each existing employee and provide to the Employer, an executed written authorization form for such deductions.
- 4.02 It is mutually agreed that all employees covered by this Agreement shall, as a condition of their employment, or continued employment, become members of the Union and that such membership shall be maintained in a good standing. The dues and initiation fees deducted from all employees whose pay deductions have been made, shall be remitted by the Employer to the Union not later than the fifteenth (“15th”) day of each month following the month in which such dues were deducted.
- 4.03 The amount of Union dues deducted from an employee each year, shall appear on the employee’s T-4 slip. When part-time employees’ dues are remitted to the Union, a list of the number of hours worked by each part-time employee during the month for which dues are being remitted shall be included.

- 4.04 The Union and the Employer agree that should the Employer obtain the ability to electronically transfer the initiation fee and dues deduction referred to above, the Union consents to the remittance of such initiation fee and dues deductions by electronic transfer.
- 4.05 The Union shall indemnify and save the Employer harmless against any and all claims, demands, suits or other forms of liability as shall arise out of or by reason of action taken or not taken by the Employer in reliance on individual authorizations furnished to the Employer by the Union for the purpose of complying with the provisions of this Article; provided, however, that the Employer will immediately notify the Union of a claim, demand, suits or other forms of liability permitting the Union to defend such claim, demand, suits or other form of liability and to cooperate with the Union in the defense of such claims, demands, suits or other forms of liability.

ARTICLE 5

MANAGEMENT OF THE BUSINESS

- 5.01 The management of the business is vested solely in the Employer. The management and operation of the business and the direction of the working force, including the right to transfer employees, the scheduling of work and the control and regulation of the use of all equipment and other property of the Employer, are the exclusive functions of the Employer. The Employer shall have full right to exercise its functions and to conduct its business in the manner it deems appropriate, except where this Agreement specifically provides otherwise.

ARTICLE 6

WAGES

6.01 The wage scale shall be set forth as follows:

		10/21/2002	10/21/2003	10/21/2004
	100% Foreman	15.38	15.76	16.15
3 rd year	100% Hub Operator	15.38	15.76	16.15
2 nd year	91% Hub Operator	13.99	14.34	14.70
At hire	83% Hub Operator	12.76	13.08	13.41
3 rd year	100% Operator	14.70	15.07	15.45
2 nd year	91% Operator	13.38	13.71	14.05
At hire	83% Operator	12.21	12.52	12.83
	100% Leadman	14.40	14.76	15.13
3 rd year	100% TIM Mech	14.08	14.43	14.79
2 nd year	91% TIM Mech	12.82	13.14	13.47
At hire	83% TIM Mech	11.67	11.96	12.26
	Helper	11.67	11.96	12.26

ARTICLE 7

WORKWEEK AND OVERTIME

7.01 The standard workweek shall consist of forty (40) hours for all permanent employees. Work in excess of forty (40) hours shall be compensated for at the rate of one and one-half times the employee's regular hourly rate. Sick pay shall not be considered as time worked for the purpose of computing overtime. Scheduled work performed on Saturdays and paid holidays shall be scheduled by

seniority provided that sufficient qualified employees must at all times be available to perform the work required:

- 7.02 Overtime at the rate of time and one-half the employee's regular hourly rate shall be paid for all work over eight (8) hours per day and for work on Saturdays only to employees who work a minimum of four (4) days per week on a regular basis. Employees will be paid at straight time for Sunday work. There shall be no pyramiding of overtime.
- 7.03 A work schedule shall be established for each track. Work in excess of the established work schedule shall not be paid for unless such work has been approved in advance by the District Manager or higher authority, except in the case of a bona fide emergency where time does not permit obtaining of such advance authority. In the case of such bona fide emergency the foreman or manager shall, on the next workday, send a written explanation of the emergency in justification of the excess work to his District Manager. Excess work which is not considered to have been properly incurred shall be disallowed. In such case the employee shall have the right to resort to the grievance and arbitration procedures of this Agreement.
- 7.04 Seniority list employees shall be provided with a forty (40) hour work week when employed and shall be guaranteed a seven (7) hour work day. However, the employee may work less than seven (7) hours in any day with compensation only for actual hours worked if mutually agreed to by the track Manager and the Employee.

- 7.05 For purposes of computing payroll, time shall be based on 1/2 hour units.
- 7.06 Whenever possible, employees shall be given reasonable notice when required to work overtime.
- 7.07 If an employee working a five (5) or more day workweek is called in to work on his/her regular day off, he shall have the option either to be paid for such day or to receive another day off in lieu thereof in the same workweek.
- 7.08 All job related training which employees are required to take shall be considered as work time.
- 7.09 If an employee is called in to work on a day not scheduled as his regular work day, he shall receive a minimum of three (3) hours pay.
- 7.10 There shall be no split shifts except with the agreement of the affected employee.

ARTICLE 8

CANCELLATION OF RACE PERFORMANCE

- 8.01 If for any reason a performance is cancelled, in whole or in part, as a result of Acts of God, power shortages, storms or other disruptions, employees will be paid as follows:
- (a) If an employee does not report for work, or is unable to report for work, he shall receive no pay for the day, but shall receive his guaranteed forty (40) hours pay for the week.

- (b) If an employee reports for work, he shall be paid for all hours actually worked with a minimum of two (2) hours pay.

ARTICLE 9

HOLIDAYS

- 9.01 For the purpose of this Agreement, the following holidays shall be recognized as paid holidays:

New Year's Day	Labour Day
Good Friday	Thanksgiving Day
Victoria Day	Remembrance Day
Canada Day	Christmas Day
British Columbia Day	

- 9.02 Employees are entitled to two (2) floating holidays per year. A floating holiday (personal day) is to be taken with reasonable notice on a day other than Saturdays, Sundays, or Holidays.
- 9.03 Employees who are not required to work on such days shall receive the day off with pay at the employee's regular rate. Employees who are required to work on such days shall receive pay at time and one-half for such work in addition to holiday pay, there being no option to take a compensatory day off.

ARTICLE 10

VACATIONS, BEREAVEMENT, JURY DUTY, PREGNANCY LEAVE AND

PARENTAL LEAVE

- 10.01 Each employee who has completed twelve (12) consecutive months of employment shall be entitled to an annual vacation of two (2) weeks with pay.
- 10.02 After eight (8) years of employment or a lesser period if so prescribed by the *Employment Standards Act* (British Columbia), each employee shall be entitled to three (3) weeks annual vacation with pay.
- 10.03 Employees who have completed fifteen (15) years of consecutive service shall be entitled to four (4) weeks annual vacation with pay.
- 10.04 Vacation shall be granted on a seven (7) day basis, that is, any employee shall receive a full period of seven (7) consecutive days off for each week of vacation entitlement.
- 10.05 All vacation requests shall be submitted to the Company by December 31st of each year for vacations to be taken in the following year (November 1st for January/February vacations) and shall be approved or disapproved no later than sixty (60) days prior to the period of the vacation requested. A vacation schedule will be circulated by January 31st of each year to each operation and the Chief Steward. This schedule is subject to change due to work schedules, seniority to govern, all other things being equal. Subject to operational emergencies, employees will receive the vacation requested. If a vacation request has been so

approved, and the employee is required because of operational requirements to take his vacation at a different time, the employee shall be reimbursed for any loss sustained due to the forfeiture of any non-refundable deposit made by the employee subsequent to such approval to secure vacation living accommodations or air travel.

10.06 It is understood that vacation preferences will normally be scheduled at home base locations at a time to be worked out to the mutual convenience of the employee and Employer. Vacations may be taken at other times if operational needs permit but in such case LAR will not be paid. If a vacation is taken away from home base at the Company's direction, LAR will be paid.

10.07 In the event of the death of a member of an employee's immediate family (parents, spouse, children, brothers, sisters, mother-in-law, father-in-law, grandparents or grandchildren) the employee will be granted three (3) days off with pay (straight time) to attend the funeral of the deceased at the location of such funeral, and, if additional time is required to travel to said location the Company may, at its discretion, grant up to two (2) additional days off with pay with proof of travel required. Verification of death may be required. Such verification may include any of the following: death certificate, obituary, letter or card from funeral parlor, hospital record, or any other reasonable document attesting to the death. A reasonable amount of time will be allotted to obtain the requested verification.

- 10.08 If an employee is summoned to serve on jury duty during the off season, he will be paid the difference between his jury duty fee and his basic straight time weekly salary, provided he gives prompt notice of such obligation and submits satisfactory proof of jury duty service. In order to receive jury duty payment, the employee must submit official documentation of the amount of jury duty fee with his timecard for that period. If summoned to serve on jury duty during the racing season, the Union, employee and Employer will do everything possible to secure a postponement of such jury duty until the off season.
- 10.09 The Employer shall comply with the pregnancy leave and parental leave provisions of the applicable provincial legislation.

ARTICLE 11

SENIORITY

- 11.01 New employees shall be considered on trial or probation for the first one hundred twenty (120) days of their employment. During this time, they may be terminated at the discretion of the Company and such termination shall not be subject to the grievance and arbitration procedures of this Agreement. Until a probationary employee completes a period of continuous employment sufficient to qualify him as a permanent employee, such probationary employees shall not be eligible for any benefits under this Agreement except for benefits under Article 14. The seniority list and home base chart will be issued each year by January 31st, and a copy will be given to the head steward.

- 11.02 All home base job openings in the bargaining unit shall be posted at each home base. On filling job openings the Company shall first consider lateral bids. When more than one employee has bid for the same lateral position, the most senior employee will be granted the job. Such a transfer will not be made more than once in a two (2) year period for any employee. All lateral moves are to be posted on a monthly basis indicating refusals and acceptances.
- 11.03 In the case of a permanent reduction in work force at a particular home base, the most senior employee by classification, who desires to accept the transfer, shall have the right to such transfer. The employee with the lowest seniority within the classification shall be required to accept a transfer in the event that all employees with higher seniority in that classification did not accept such transfer.
- 11.04 If a permanent job becomes vacant at a home base and is not filled by lateral transfer, it shall be posted for bidding within sixty (60) days of its becoming vacant. The job openings will list the job, type of equipment and working schedule. In the filling of permanent job vacancies, the senior employee who, in the judgment of the Company, is best qualified shall be given the position on a one hundred and twenty (120) day trial basis. Where qualifications are substantially the same, the employee with the greater seniority shall be upgraded to the vacancy.
- 11.05 An employee may down bid for a vacancy after one year in a position by mutual agreement between the Company and the Union, which agreement shall not be

unreasonably withheld. Such down bidding shall not impair efficient work operations and must be based on compelling personal reasons.

- 11.06 Employees with twelve (12) months or greater seniority shall be laid off in reverse order of seniority provided the remaining employees have the necessary qualifications to perform the available work. All other employees may be laid off without regard to seniority.
- 11.07 If the company fills a temporary vacancy caused by illness or other reason at its discretion by a lower graded employee, such employee shall receive the pay of the higher graded vacancy at his percentage level.
- 11.08 If an employee is assigned to a permanent job classification on a temporary basis, that is, as an operator, for a period of one hundred twenty (120) days or longer, he shall be granted such classification as a permanent classification.
- 11.09 At any location where there are two hundred and fifty (250) TIMS installed, there shall be a foreman for the meet. Foreman will be created on a meet-by-meet basis at any location based on the above formula. If there are one hundred and seventy-five (175) TIMS installed but less than two hundred and fifty (250) TIMS installed there shall be a Lead Man on a meet-by-meet basis.
- 11.10 An employee shall automatically lose his seniority and his employment shall be deemed to be terminated if he is laid off or there is any other break in his active service (other than an authorized leave of absence or absence due to a disability) for any period of twelve months.

- 11.11 Whenever possible the Company shall assign at least one (1) employee with a minimum of two (2) years experience at each track.
- 11.12 If a TIM mechanic is below the 100% level and is promoted to the Operator position on a permanent basis he shall, upon such assignment be increased to the next percentage level. If said TIM mechanic has two (2) years or more company service, he shall be considered on probation for the first one hundred and twenty (120) days of such appointment. If, after evaluation at the end of the probation period, the employee is deemed qualified to perform the full requirements of the Operator position he shall be increased to the 100% Operator level.
- 11.13 If an employee is promoted to the Foreman position, he shall receive the 100% rate for such positions.
- 11.14 The Union will be notified of all hiring.
- 11.15 Where the Company recalls employees with seniority from layoff, they shall be recalled in order of their seniority provided that the recalled employee must have the necessary qualifications to perform the available job.
- 11.16 Schedules shall be posted at least one week in advance.

ARTICLE 12

TRAVEL AND LIVING ALLOWANCE

12.01 Each employee shall be assigned to a specific track as his permanent base location.

12.02 When an employee is transferred on a temporary assignment basis from the racetrack or work location that is his permanent base location to another work location that is located over twenty (20) kilometres or more from his permanent base location, he shall receive the following travel and living allowance based on one round trip per day for each day actually worked, provided that where an employee shares a vehicle with one or more other employees for the trip, only the employee providing the vehicle will be eligible to receive the travel portion of the allowance (*i.e.* Kilometre allowance and Tolls).

(a) Distances between 21 kilometres and 55 kilometres inclusive:

- a. Kilometre allowance Current corporate rate
- b. Tolls (with receipts)

(b) Distances over 55 kilometres and assignment greater than 14 days:

- a. Kilometre allowance Current corporate rate
- b. Tolls (with receipts)
- c. Living Allowance (LAR)

- (c) Distances over 55 kilometres and assignment 14 days or less:
 - a. Kilometre allowance Current corporate rate
 - b. Tolls (with receipts)
 - c. Living allowance shall be the employee's motel cost plus a meal allowance of Twenty three (\$23.00) dollars a day.

12.03 Relocation allowance - When, at the convenience of the Company, an employee's permanent base location is changed to another base location that is fifty-five (55) kilometres or more from his original base location, he shall be paid the travel allowance as provided above, and, in addition, he shall receive the following living allowance for a period of sixty (60) days following such move: Thirty-five (\$35.00). In addition, the employee shall be reimbursed for necessary incurred moving expenses for shipment of household goods and for expenses incurred in connection with the sale of a home, up to a total maximum amount for all items of One Thousand Nine Hundred (\$1,900.00) dollars. In each such case, the cost incurred shall be the reasonable cost for such items, documented by an appropriate bill or other written statement.

12.04 If a lower graded employee successfully bids for a higher graded vacancy, he shall receive fifty (50%) percent of the normal relocation allowance provided for in Article 12.03.

12.05 If the filling of a vacancy involving an employee-initiated lateral transfer, the employee shall be paid fifty (50%) percent of the Travel Allowance provided for herein from the employee's present home base assignment to his new home base assignment.

- 12.06 Sixty (60) days notice shall be given in the case of transfers whenever feasible.
- 12.07 When an employee is required to travel, a distance of three hundred and sixty (360) kilometres shall be considered as a standard day's work.
- 12.08 Travel distance shall be calculated via state highway or better (new Canadian atlas and/or CAA Atlas) for travel further than fifty (50) kilometres.
- 12.09 If the CAA Atlas mileage trip ticket shows longer mileage than the new Canadian atlas, the CAA mileage shall be paid for.
- 12.10 When an employee is transferred to a new assignment he shall be permitted reasonable time off, consistent with track operations, to secure living quarters.
- 12.11 Employees shall be covered by workers' compensation and Employer's liability insurance while travelling on a Saturday or Sunday from one work location to another.
- 12.12 Temporary assignments away from an employee's home base shall not exceed ninety (90) days in any instance unless mutually agreed to by the Company and the Employee.
- 12.13 Employees shall receive a seven (\$7) dollar meal allowance (with receipts) after twelve (12) hours (work hours) while servicing OTB.
- 12.14 Employees shall receive a twenty three (\$23.00) dollar meal allowance and reimbursement for lodging while servicing OTBs in excess of three hundred and sixty (360) kilometres total driving distance from their home base assignment.

ARTICLE 13

NEW HIRES

13.01 All new employees are to be given, in writing, the details regarding Home Base assignments as outlined below:

- (a) A new employee whose home base assignment is the location at which he was hired shall not be entitled to any living allowance.
- (b) A new employee who is hired at a location not assigned as his home base location shall be given travel allowance for mileage from the location at which he was hired and LAR, while in-route to his home base. LAR benefits will terminate the day he reports to his home base location.
- (c) A new employee who is hired and is not given a home base location, but remains at the location where he was hired, will either be assigned a home base within one hundred twenty (120) days, or will begin to receive LAR after the one hundred twentieth (120th) day of this assignment until such time that he reports to his home base location.
- (d) A new employee who is hired and is not given a home base location, and who is temporarily assigned to a location other than the location at which he was hired, will be eligible for living allowance as set forth in this agreement until such time that he reports to his home base location.

13.02 It is the intention of the Company to endeavour to assign every new employee a home base at the time of his hire. However, because of Job Bidding such

assignment may be delayed. When a home base assignment is made, the new employee must remain at such assigned home base for a two year period before bidding out to another location.

ARTICLE 14

ASSIGNMENT OF EMPLOYEES

14.01 It is understood that because of the nature of the Company's operations employees must be available to travel in accordance with the needs of the business, including temporary assignment to related companies.

14.02 Subject to the customer considerations, if company needs require the transfer of an employee from his/her home base and all qualifications are equal, the most senior person by classification who desires to accept the transfer shall have the right of such transfer. The employee with the lowest seniority within the classification shall be required to accept the transfer in the event that all persons with higher seniority in that classification did not accept such transfer.

ARTICLE 15

WELFARE BENEFITS

15.01 The Company shall make employer premium contributions necessary to provide for the existing level of insured benefit coverage for regular full-time employees (not helpers) for the following benefit plans, subject to the terms and conditions of the benefit plans, including existing deductibles:

- (a) Supplementary Health Insurance Benefit;
- (b) Life Insurance Benefit; and
- (c) Accidental Death and Dismemberment Insurance Benefit.

Employees shall contribute, by payroll deduction, \$1.00 per week for single coverage, \$2.00 per week for single plus one coverage and \$3.00 per week for family coverage for the Supplementary Health Insurance Benefit.

15.02 The Company shall continue its existing Group RRSP at the existing rate of contribution by the Company (i.e. 3% of wages) for regular full-time employees (not helpers).

15.03 In addition to the pension benefit provided in Paragraph B hereof, the Company will continue the Pension Plan established under the prior agreement to provide as follows:

- (a) If an eligible employee has reached fifty-five (55) years of age and has fifteen (15) years of service, early retirement will be permitted.
- (b) If sixty (60) years of age and fifteen (15) years of service, early retirement can be taken at the option of the employee.
- (c) In either case, as now provided for in the Pension Plan, benefits will be actuarially reduced appropriately.

- (d) Effective July 1, 2002, the present pension of Fourteen (\$14.00) per month for every year of credited service would be increased to Seventeen (\$17.00) dollars per month for each year of credited service.

ARTICLE 16

DISCIPLINE

- 16.01 The employer shall have the right to discipline or discharge an employee for just cause. Such action shall be subject to the grievance and arbitration provision of this agreement.
- 16.02 Except for serious offences, the normal discipline procedures shall involve a warning for the first offence, suspension for the second offences, and termination for the third offence. The Union shall receive written notice of each case of imposed discipline and shall have the right to arbitration in accordance with the grievance and arbitration procedures.
- 16.03 If an employee is being considered for discipline the Company shall not consider offences in his record that occurred more than one (1) year prior to the time of such consideration.

ARTICLE 17

SEVERANCE PAY

- 17.01 Employees with at least one year of Company service who are laid off for lack of work shall receive severance pay in accordance with the following schedule:

1 Year and up to 3 years service	1 week
Over 3 years and up to 5 years service	3 weeks
Over 5 years and up to 7 years service	5 weeks
Over 7 years and up to 10 years service	7 weeks
Over 10 years service	10 weeks

The amount of severance pay shall be based on the employee's average weekly base rate during the twelve (12) months preceding the layoff. Computation of severance pay allowance shall be based on the employee's last starting date with the Company.

17.02 If an employee is terminated for cause, he shall lose severance pay only if cause is based on willful conduct of the employee. If an employee is terminated for cause not based on willful conduct, such as excessive absenteeism due to a medical condition, he shall receive appropriate severance pay.

17.03 Employees who have completed fifteen (15) years of Company service and who retire in accordance with the terms of the Pension Plan shall receive the maximum severance pay as set forth above.

ARTICLE 18

SICK LEAVE

- 18.01 Employees with less than one (1) year of service shall receive their regular pay for up to forty (40) hours of absence due to illness, excluding the first two (2) days of such absence.
- 18.02 Employees with less than two (2) years, but with more than one (1) year of service shall receive their regular pay for up to sixty (60) hours of absence due to illness, excluding the first day of any such absence.
- 18.03 Employees with less than five (5) years of service, but with two (2) or more years of service shall receive their regular pay for up to eighty (80) hours of absence due to illness.
- 18.04 Employees with more than five (5) years of service shall receive their regular pay for up to 120 hours of absence due to illness. For extended illnesses they shall receive up to a maximum of 6 months of absence in any 12 month period at their regular pay, not to exceed 40 hours per week. Employees who fail to return at the expiration of their maximum extended leave of absence, may, at the company's discretion, be terminated by the company. Illnesses lasting more than three (3) days shall be verified by a doctor's certificate. In the event an employee is ill for any scheduled work day, he shall receive the appropriate sick pay for such day, i.e., at tracks with six (6) day schedules, any day out will be paid as a sick day. Sick leave entitlement shall be taken a full day at a time based on the employees' scheduled hours for the particular day, with a maximum of eight (8) hours for any

day. Sick pay shall not be considered as time worked for the purpose of computing overtime.

ARTICLE 19

HELPERS

19.01 The Company shall have the right to employ full-time and part-time “helpers”. Such employees shall be subject to the Union Security provision of this agreement. Such employees shall be subject to the following conditions:

- (a) Such employees may be hired on a ratio of 1.4 to 1 province wide on TIM Techs based on headcount. (The company may hire 1.4 Helpers for every TIM Tech.)
- (b) Helpers may be hired on a daily or weekly basis.
- (c)
 - (i) Helpers shall have no seniority rights and shall not be eligible for any benefits hereunder, except as outlined in 19.01(c)(ii). Helpers will not be allowed to accrue four (4) month probationary employment necessary for acceptance as a permanent employee.
 - (ii) Helpers who actually work 2000 hours in the calendar year shall be eligible to enrol in the employer’s health insurance plan. Thereafter, such employees must work a minimum of 1500 hours per calendar year in order to maintain their eligibility for health insurance. Such Helpers will be subject to the same eligibility rules, coverage, regulations and co-pay requirements as other

employees in the bargaining unit. The Company shall, each January, notify each Helper of his/her eligibility to enrol in the Company's Health Insurance Plan and the Company shall at the same time provide the Union with a list of the hours worked by each Helper in the prior calendar year.

- (d) Helpers shall be compensated for any overtime worked in accordance with the provisions of the applicable provincial legislation.
- (e) The Company agrees not to displace permanent employees who have a seniority date of October 20, 2002 or earlier with Helpers.
- (f) Employees directly displaced by helpers at a specific site as a result of this Article shall receive an additional \$1,500 in severance pay.
- (g) Helpers with one or more years of service will be given preference for regular openings (provided they are willing to meet requirements of job) at their location.
- (h) In cases of loss of contract, Technicians and Operators can exercise their seniority to fill any existing openings they are qualified to perform. Should such openings not exist, they will be assigned a full time position occupied by Helper(s) at another location, thereby displacing said Helper(s) at a pay rate of not less than a Technician's rate at his percentage level and benefit package.

19.02 The head Shop Steward shall monitor the above ratios.

ARTICLE 20

NO STRIKES OR LOCKOUTS

20.01 The parties understand that the Employer must provide continuous and uninterrupted service to the customer, and inasmuch as this Agreement provides, definite means for settling all disputes which may arise between the parties concerning its interpretation and application, the Union agrees that there shall be no strikes, stoppages or work slowdowns or other interruption for any reason during the term of this Agreement and the Employer agrees that there shall be no lockouts.

ARTICLE 21

GRIEVANCE AND ARBITRATION

Any dispute concerning the interpretation, application or administration of this Agreement or any allegation that this Agreement has been violated may be the subject of a grievance which shall be processed as follows.

Step One

21.01 Within eight (8) days after the circumstances giving rise to the grievance occurred, the affected employee or his Shop Steward shall meet and discuss the matter with the immediate supervisor. The supervisor shall give his reply to the Steward in writing within three (3) days following the meeting.

Step Two

21.02 In the event the matter is not settled at Step One, the Area Shop Steward shall refer the matter to the District Manager by filing a grievance within five (5) days of the decision of the supervisor at Step One. The Area Shop Steward and the District Manager shall meet within five (5) days of the filing of the written grievance and the District Manager shall give his reply to the grievance in writing within five (5) days following that meeting.

Company Grievance

21.03 The Employer may file a written grievance at Step Two by filing the grievance in writing with the Area Shop Steward within five (5) days after the circumstances giving rise to the grievance occurred and the Area Shop Steward and the District Manager shall meet within five (5) days of the filing of the Company grievance and the Area Shop Steward shall give his reply to the Company grievance in writing within five (5) days following that meeting.

Arbitration

21.04 In the event that the Union and the Employer are unable to resolve the grievance in accordance with the foregoing, either party may refer the grievance to arbitration before a sole arbitrator within twenty-one (21) days of the decision of the District Manager or the Area Shop Steward, as the case may be, at Step Two. The party referring the grievance to arbitration shall advise the other party at the time of the referral of at least three (3) proposals for sole arbitrator and the parties will attempt to agree on the appointment of a sole arbitrator within twenty-one (21) working days of the date of the referral. Failing an agreement, either party

may apply to have an arbitrator appointed in accordance with applicable provincial legislation.

21.05 The sole arbitrator shall not make any decision which is inconsistent with the provisions of this Agreement and shall not amend any provision of this Agreement. The decision of the sole arbitrator shall be final and binding upon the parties hereto and his fees shall be borne equally by the parties.

21.06 Due to the continuous nature of the Company's operations, "days" for the purposes of all time limits in this Article 21 shall be calendar days including weekends and holidays.

ARTICLE 22

UNION REPRESENTATION

22.01 The Company will recognize a Union negotiating committee for the renewal of this Collective Agreement made up of a maximum of one (1) employee member plus the outside Union representative and for each day on which the employee member misses his scheduled shift to attend negotiations for the renewal of this Collective Agreement, up to but not including conciliation and thereafter, the Company shall pay such employee his wages for such shift at the regular non-overtime rate of pay. During conciliation and thereafter the employee members of the negotiating committee may be increased to two (2).

22.02 The Company will recognize up to two (2) union stewards appointed by the Union (one in Vancouver and one in the rest of the Province) and the Union will

provide the Company with a list of the names of such Union stewards whenever requested by the Company. A Union steward may request a leave of absence to perform Union related business and, subject to the maintenance of regular production, the Company will not unreasonably refuse to grant any such leave of absence requested in writing at least one week in advance, provided that such leave of absence shall be without pay.

22.03 The Union will appoint members to a Joint Health and Safety Committee and for their attendance at the meetings of such Committee with representatives of the Company such employees shall not suffer any loss of regular non-overtime wages.

ARTICLE 23

MISCELLANEOUS

23.01 The Company shall provide all personnel with an appropriate Identification Card.

23.02 Employees shall be expected to provide tools on the Basic Tool List heretofore agreed upon. All other tools and equipment needed for the work not contained on this list shall be supplied by the Company.

23.03 Arrangements will be made by the Company to permit the deductions from employee's wages for the purchase of Canadian Savings Bonds.

23.04 The Company shall continue present training practices and whenever possible shall expand them.

- 23.05 The Company will endeavour to negotiate with its customers to provide adequate and secure parking for employees on a case by case basis.
- 23.06 No one will be required to take a forced leave of absence.
- 23.07 The Company will endeavour, consistent with operational requirements and track schedules, to assign employees to, and keep employees on, permanent circuits.
- 23.08 The Company will set up a direct deposit paycheque program where employees will be required to designate an eligible bank as the depository for their paycheque. The employee can only make one election per year.

ARTICLE 24

TUITION REIMBURSEMENT

- 24.01 Employees shall be entitled to tuition reimbursement as follows:
- (a) Employees shall be reimbursed for tuition (up to a maximum of one course per semester) for job related courses approved by the Employer.
 - (b) In order to receive payment, the Employee must submit documentation indicating satisfactory completion of the course with a passing grade of C or better.
 - (c) No more than 1 employee from the bargaining unit per semester (on a first come, first serve basis) shall be entitled to reimbursement.

ARTICLE 25

TERM OF AGREEMENT

25.01 This Agreement shall be effective as of October 21, 2002, (no retroactivity except year one wage increase as provided in Article 6) and shall remain in effect through October 20, 2005, and from year to year thereafter; provided, however, either party may modify or terminate this Agreement by giving the other party at least ninety (90) days' prior notice in writing of its intent for such modification or termination prior to October 20, 2005 or October 20th of each subsequent year.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective representatives as of the day and year first above written.

AUTOTOTE CANADA INC.

Brooks Pierce President

David Haslett Director, North American Field Operations

SERVICE EMPLOYEES INTERNATIONAL UNION and its LOCAL UNION NO. 244

President

Assistant Business Manager

Business Representative

Recording Secretary