

WESTERN SYSTEM CONTROLS LTD.

March 31, 2006 - March 31, 2011

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MANUFACTURING AGREEMENT

THIS AGREEMENT entered into this 14th day of January, 2008

BETWEEN:

WESTERN SYSTEM CONTROLS LTD.

(hereinafter called the "Company")

OF THE FIRST PART;

AND:

LOCAL UNION 258 OF THE
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

(hereinafter called the "Union")

OF THE SECOND PART;

BASIC PRINCIPLES

The general principles of this Agreement are as follows:

1. To set forth the hours of work, rates of pay and conditions to be observed by the Company and the Union.
2. To provide orderly and harmonious procedures between the Company and the Union.
3. To secure a prompt and fair disposition of grievances.
4. To prevent interruption of work.
5. To promote the efficient operation of the business.

**ARTICLE 1 - EFFECTIVE DATE, TERMINATION, AMENDMENTS
AND SUBSTITUTIONS**

Article 1.01 - Effective Date and Termination

This Agreement shall be in full force and effect from and including April 1, 2008 to and including March 31, 2011 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 March 31, 2007 or immediately preceding the anniversary date in any year thereafter, by written notice to the other Party, to 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.

Article 1.02 - Mediation Act

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

Article 1.03 - Legislative Changes - Amendments and Substitutions

Should any provision of this Agreement be declared illegal by any court of competent jurisdiction, such provision shall immediately become null and void, leaving the remainder of the Agreement in full force and effect and the Parties shall thereupon seek to negotiate substitute provisions which are in conformity with the applicable laws.

Article 1.04 - Past Terms and Conditions

No employee shall suffer a reduction of wages or less favourable conditions as a result of this Agreement.

Article 1.05 - New Classification

In the event the Company introduces or the Union considers the Company has introduced a new classification of work or changes the job content of any existing classification, the Company agrees to notify the Union that such new classification has been introduced or that such change has been made, and agrees to negotiate with the Union the appropriate wage rate and working conditions for such new or changed classification. If the Parties are unable to agree upon such wage rate and working conditions, both Parties agree to submit the question of establishing such wage rate and working conditions to a Board of Arbitration. The Board shall decide such question with a view to fixing a wage rate and working conditions which will compare equitably with a wage rate and working conditions currently in effect for the other classifications of employees of the Company. The decision of the Board shall be final and binding upon the Parties for the remainder of the term of this Agreement. Any new or amended wage rates shall be retroactive to the date of the introduction of such new classification or change of such existing classification.

Article 1.06 - Amendments

Any of the conditions of this Agreement may be amended at any time if both Parties agree such amendment is desirable.

ARTICLE 2 - UNION RECOGNITION AND WORK JURISDICTION - COMPANY AND UNION RELATIONS

Article 2.01 - Union Recognition - Certification

This Agreement shall cover all employees employed by the Employer coming under the jurisdiction of the Union as specified in the certification.

Article 2.02 - Union Recognition - Membership

- (a) The Company agrees that all employees coming within the jurisdiction of the Union, as a condition of employment shall apply for membership in the Union and sign a dues authorization card and application for membership on or about the date of hire and shall become a member in good standing thereof within thirty (30) days from the date of hire.

Attainment of membership in good standing prior to completion of the probationary period will not affect the status of the employee under Article 5.03.

- (b) All employees hereinafter described under this Article shall remain members in good standing thereof throughout the life of this Agreement as a condition of employment, provided however, that the Union shall not request the Company to discriminate against any employee for non-membership in the Union if such membership is not available to the employee on the same terms and conditions generally applicable to other members. The company recognizes the Union as the sole and exclusive bargaining agent for all employees covered by the certification.

Article 2.03 - Management Rights

- (a) The Union acknowledges that the management and the operation of, and the direction and promotion of, the working forces is vested exclusively in the Company, subject to the terms of this Agreement.
- (b) Without limiting paragraph (a) above, the Company shall have the right to select its employees, hire in accordance with the terms of this collective agreement, layoff, classify new employees, transfer, promote, demote, or discipline them, provided that a claim of discrimination against any employee, or misinterpretation of this Agreement may be subject to a grievance and dealt with as hereinafter provided.
- (c) There shall be no restrictions on the Company as to the source of obtaining any and all raw materials, devices or finished apparatus required in the manufacture of goods by the Union, but whenever possible union made articles of comparable quality shall be used.

Article 2.04 - New Employees

- (a) When in need of new employees, the Company shall call the Local Union office. If Union members are not available or acceptable the Company shall then be responsible to secure its own workers.
- (b) The Company agrees to notify the Union immediately on the engagement of any employee and also to refer to the Union such employee prior to his commencing work.

Article 2.05 - Initiation Fees and Union Dues Check off

- (a) The Company agrees to honour a written assignment of wages for Union dues, assessments and initiation fees from an employee in favour of the Union.
- (b) The Company agrees to remit the fees and dues deducted under the above assignment to the Financial Secretary of Local Union 258, normally within fifteen (15), but not later than thirty (30), days from the pay day when deductions are made. The remittance will be done on forms supplied by the Union.

Article 2.06 - Strike, Lockouts, Legal Picket Lines

- (a) In accordance with the definitions given in Part 1, of the Labour Relations Code of British Columbia the Parties hereto agree that there shall be no lockouts, strikes, slow down or any other stoppage of or interference with work which would cause any interruption in production.
- (b) It is agreed that no part of the Agreement is to be interpreted as requiring members of the Union to work behind a recognized legal picket line where strike, lockout or other conditions detrimental to the interests of the Local Union prevail.

Article 2.07 - Union Representative

A Union Representative may, with permission from the Company, have access to that portion of the Company's premises where Union members are employed. Such permission shall not be unreasonably withheld.

Article 2.08 - Bulletin Boards

At least one (1) bulletin board shall be maintained for the posting of rules and regulations of the Company and Union notices to employees represented by the Union.

While the content of Union notices shall be at the sole discretion of the Union, the Company reserves the right to veto the posting of notices of a derogatory, provocative or political nature. The Company agrees to post the Company's rules on the bulletin board. These rules will be subject to

addition or change from time to time at the Company's discretion. The rules and such changes to the rules, shall not be inconsistent with the terms of the Collective Agreement.

Article 2.09 - No Discrimination

No Shop Steward, Committee or employee shall be discriminated against, intimidated or jeopardized in standing or suffer any loss of employment on account of membership in or legitimate activities on behalf of the Union. The employees and the Union will not engage in any Union activity on the premises during working hours without permission of the Company, such permission not to be unreasonably withheld.

Article 2.10 - Technological Change

The Company will provide one week's notice per year of service to a maximum of eight weeks or pay in lieu thereof in the event of layoff as per the Employment Standards Act due to technological change.

With due regard to the seniority provisions of this Agreement, the Company will give technologically displaced employees preferential consideration to be trained in new skills for other jobs that may be required of employees in the bargaining unit provided such employees have the requisite qualifications and experience for such training. If a displaced employee cannot be retained at his present level under the terms of this Agreement, the Company will co-operate with the Union to provide guidance and assistance to the employee in his/her applications for retraining through Canada Manpower or other government sponsored agency. Each employee displaced to a lower rate of pay by technological change will be granted special pay to maintain their former pay grouping until such time as they can be trained to a level of their former pay grouping.

Article 2.11 - Union Discipline

The Company recognizes the right of the Union to discipline its members for violation of its laws, rules and/or agreements.

Article 2.12 - Supervision Authorization

No employee shall perform supervision without written authority from the Company.

ARTICLE 3 - SHOP STEWARDS

Article 3.01

The Company will recognize Shop Stewards and the Chief Shop Steward who shall be selected in accordance with Union rules and regulations as the representative of the employees in the respective groups or departments for which they are chosen and hereby recognizes that the power of appointment and removal thereof is solely vested in the Business Manager. The number of Stewards will be consistent with the need, but will not normally exceed one (1) Steward for every fifteen (15) employees.

Article 3.02

The Union will advise the Company of the identity of all Stewards and will also give notice of any new appointment or removal thereof.

Article 3.03

Stewards shall report to their immediate supervisors and request permission to leave the job before leaving work to conduct Union business which shall consist solely of the investigation of complaints that may lead to grievances, or to handle the adjustment thereof, or to attend at any meeting with representatives of the Company or such other Union business as may be authorized by the Company during working hours.

Article 3.04

The Company shall allow Stewards to conduct said Union business within their regularly established working hours and within their assigned areas of representation, unless such action would seriously interfere with operation, and in such instances, the supervisor shall make arrangements for the Stewards to leave the job as soon thereafter as operations will permit.

Article 3.05

Provided he/she has the ability to do the available work, the Chief Shop Steward shall be given senior seniority in the plant.

ARTICLE 4 - GRIEVANCE PROCEDURE AND ARBITRATION

Article 4.01 - Preamble

The following is the procedure which shall be used to adjust and settle all matters of complaints, disputes, grievances or controversies pertaining to the interpretation, application, operation or any alleged violation of this Agreement and any matter which may arise between the Company and the Union. It is mutually agreed by both Parties that it is the spirit and intent to adjust complaints and grievances as quickly as possible, and it is generally understood that an employee has no grievance until he/she has first given to his/her foreman or supervisor an opportunity to adjust the complaint. If the complaint is not adjusted to the satisfaction of the employee within a period of two (2) working days or such longer period as may be mutually agreed upon, it may be processed in accordance with the following grievance steps.

Article 4.02

Step No. 1

In the event of a grievance, the employee may approach his or her Shop Steward to discuss the grievance.

Step No. 2

The Shop Steward will then present the grievance in writing to the appropriate Company official.

The Department official will give an answer in writing to the Chief Shop Steward within three (3) working days.

Step No. 3

Failing settlement, the Shop Steward refers the grievance to the Union Business Manager or Representative who will take the matter up in writing with the appropriate Company official within five (5) working days of the answer of the Department official.

Step No. 4

Failing settlement at this level within five (5) working days, or a mutually agreed upon extension, the matter in dispute will be handled in accordance with Article 4.05 of this Agreement.

Article 4.03 - Employee Rates

The Company shall pay employees at their regular rates for Union business conducted during their regular business hours, on the Company's premises.

Article 4.04 - Discharged, Suspension or other Action of Discipline

- (a) If an employee believes he or she has been unjustly discharged, the matter will be taken up as a special grievance under Article 4.02 of this Agreement. Any such grievance shall be referred to the Manager within three (3) working days after the employee has been advised that he or she has been discharged from the Company and the matter shall be disposed of within seven (7) working days of the time the Manager received notice of the grievance, except where a case is taken to Arbitration.
- (b) In cases of grievance for discharge, suspension or other actions of discipline, such grievance may be settled by the Arbitration Board by confirming the Company's decision in discharging, suspending or disciplining the employee, or by reinstating the employee with full or partial compensation for time lost, or by any other arrangement which is just and equitable.
- (c) The Chief Shop Steward is to be kept informed and sign as having seen any formal reports made on employees that may result in disciplinary action.
- (d) Any interview dealing with disciplinary measures, the employee shall be accompanied by his/her Shop Steward.

Article 4.05 - Arbitration Procedure

- (a) All unsettled differences between the Parties coming within the scope of or arising from the interpretation, application, administration or alleged violation of this Agreement, including

any question as to whether the matter is arbitrable, shall be settled by Arbitration, without stoppage of work.

- (b) The Party requesting Arbitration shall do so in writing addressed to the other Party and shall state the difference to be arbitrated.
- (c) Should the Parties be unable to agree within five (5) days, upon who such an Arbitrator shall be, then they shall forthwith request The Honourable Minister of Labour to appoint.
- (d) All costs of Arbitration shall be borne equally by the Parties.
- (e) The Arbitrator appointed as above shall not have any jurisdiction to alter or change any of the provisions of this Agreement, to substitute any new provision in lieu thereof, or give any decision inconsistent with the terms and provisions of this Agreement.
- (f) It is the desire of the Company and the Union that the Arbitrator should meet within seven (7) days after the appointment.
- (g) The decision of the Arbitrator will be final and binding on the Parties hereto and should be rendered as rapidly as the Arbitration considers practical.
- (h) By mutual agreement of the Parties, the periods of time stated above may be extended. Saturday, Sunday and Statutory Holidays shall not be counted in determining the time within which any action is to be taken under this Article.
- (i) Correspondence between the Parties concerning Arbitration shall be by registered mail.
- (j) The Company and the Union reserve the right to use Part 87 of the Labour Relations Code of British Columbia.

Article 4.06 - Jurisdiction Disputes

All disputes arising as to matter of jurisdiction shall be referred to the International President of the Union.

Article 4.07 - Classification Adjustments

In the event that an employee is transferred to the job within another classification or is performing the work of another classification as outlined in Appendix "B" without receiving pay for that classification per Appendix "A" such employee may raise the matter as a grievance"

ARTICLE 5 - SENIORITY

Article 5.01 - Definition of Seniority

Seniority as hereinafter referred to shall be based on length of service within the bargaining unit or as otherwise covered in Article 5.06 and shall be a factor in determining layoff and recalling. Seniority lists will be kept up to date by the Company and will be made available to the Union.

Article 5.02 - Classification Seniority

In laying off, or rehiring, or abolishing of a classification, the principle of seniority within a classification shall prevail, employees reserve the right to displace less senior employees in previously held classifications. Classification seniority shall consist of total plant seniority applied to the classification currently held by the employees. Seniority can be claimed for displacement purposes, provided employment records show that the employee has previously attained seniority in other classifications or it is determined by the Company that the person has the necessary qualifications for the classifications available. Employees who are scheduled for layoff due to lack of work in their classification and whose personnel records do not show that they have performed work in another classification, shall, if possessing greater plant seniority than an employee in a lower classification, be granted the opportunity to demonstrate qualifications in the lower classification. If such previous change of classification was a result of unsatisfactory performance, that employee would not be permitted to displace less senior employees in that classification. The foregoing does not preclude the employees' access to grievance procedure under Article 4.

Article 5.03 - Probationary Period

After an employee has accumulated a period of service of one-hundred and twenty (120) worked days with the Company, he/she shall be granted seniority which shall date retroactively to the date he entered the employ of the Company. During this one-hundred and twenty (120) worked day period, employees shall be on a probationary basis. Probationary employees involved in a layoff will be advised at the time of the layoff of the Company's intention to recall or otherwise.

Article 5.04 - Maintain and/or Accumulate Seniority

An employee shall maintain and/or accumulate his or her seniority under the following conditions.

- (a) During a layoff, an employee shall maintain and accumulate seniority for a definite period as follows:
 - (i) An employee with less than three (3) years service, shall maintain and accumulate seniority for a period not to exceed twelve (12) months.

- (ii) An employee with three (3) or more years service, shall maintain and accumulate seniority for a period not to exceed thirty-six (36) months.

It is the employee's responsibility to keep the Company informed of any change in his or her address.

(b) Accident or Sickness

During an absence due to accident or sickness, an employee shall maintain and accumulate seniority for a period not to exceed twenty-four (24) months. Upon return from such absence, the employee shall return to the position held prior to his or her absence, or to one of equal rating, provided he or she is capable of performing former duties and provided the Company has received an acceptable reason for and/or authorized the absence. It shall be the duty of each employee to notify the Company of the reason for absence, to furnish evidence to support the absence and to keep the Company informed of the anticipated date of return to duty.

(c) Leave of Absence

During authorized leave of absence, the employee shall maintain and accumulate seniority.

(d) Out of Bargaining Unit

During an absence due to transfer within the Company to a position outside the jurisdiction of the Union, an employee shall maintain and accumulate seniority up to a maximum of twelve (12) months. Thereafter, if transferred back to a position under the jurisdiction of the Union, the employee concerned will be credited for all Union service with the Company plus a maximum of twelve (12) months for service in a position with the Company outside of the jurisdiction of the Union.

(e) Supervisors

Members of the bargaining unit who are working supervisors will maintain and accumulate seniority in their basic classification while supervising.

Article 5.05 - Notice of Layoff

In the event of a layoff due to lack of work, employees with less than five (5) years seniority will be given five (5) working days' notice. Employees with more than five (5) years seniority will be given ten (10) working days' notice. If the required notice is not given, the appropriate day(s) pay will be paid in lieu thereof except in cases of fire, flood, electrical failure or similar conditions beyond the control of the Company, however, if layoff exceeds thirteen (13) weeks, then notice or pay in lieu thereof will be in accordance with the Employment Standards Act. Layoff notice may be waived if mutually agreed to between the employee and the Company.

Article 5.06 - Termination of Seniority

An employee's name shall be removed from the Company's list of employees and his/her seniority terminated by:

- (a) Voluntary quitting of job.
- (b) Exceeding authorized leave of absence, unless failure to return to work is unavoidable.
- (c) Discharge for just cause.
- (d) Failure to report for work within five (5) working days and signify intention to return to work within three (3) working days after notification by double registered mail to return to work unless failure is proved to be unavoidable.
- (e) Exceeding layoff as per Article 5.04.

Article 5.07 - Transfers within Bargaining Unit

- (a) All transfers will be made on a trial basis or on a temporary basis and the employee will retain his seniority in the classification from which he was transferred during the trial or temporary period.
- (b) A trial or temporary transfer will become permanent after thirty (30) days worked unless previously made permanent by a written notice to the employee. At the time a trial or temporary transfer is made permanent, the employee's seniority shall be transferred, and this does not apply to demotions for lack of work which require the higher rate be maintained for the full thirty (30) days worked.
- (c) If an employee is assigned to work in a classification at a rate superior to his/her, he/she shall be paid from the start of his/her assignment at the minimum of the higher grade classification or his/her current regular rate, whichever is the greater. On returning to his/her regular job, the employee shall revert to his/her former rate. If an employee is temporarily assigned to work in a classification at a rate inferior to his/her, he/she shall maintain his/her current regular rate and progression.
- (d) In the event an employee is transferred to a job within another classification, and fails to qualify on the new job, or upon return from a temporary transfer or leave of absence, the employee will be returned to the job held prior to the transfer or leave of absence, or a similar job, if the prior job held by the employee no longer exists.
- (e) The principle of returning an employee to his previous job, as outlined above in this section, will not apply when the reason for the initial transfer was because of unsatisfactory work

performed in the original job.

- (f) The Company will provide ten (10) days' notice for demotions for reasons other than unsatisfactory performance.

Article 5.08 - Promotions - Job Vacancies

Should there be a job vacancy within the bargaining unit, it shall be posted for a period of three (3) working days to allow interested employees the opportunity to apply.

The job shall be awarded on the basis of seniority provided there is not marked difference in skill and ability.

This does not preclude the right of the Company to seek applications from other sources during this time period. Such applications shall be given consideration until it is determined that a suitable applicant is not within the bargaining unit.

This section is subject to the grievance procedure.

Article 5.09 - Leave of Absence - Union

- (a) The Company, upon receiving four (4) weeks' notice in writing from the Business Manager or his delegate, agree to grant leave of absence without pay to not more than one (1) employee for full-time service with the Union. Such leave of absence is not to exceed thirty-seven (37) months at a time, unless there is mutual agreement to an extension.
- (b) The Company, upon receiving two (2) weeks' notice in writing from the Business Manager or his delegate, agree to grant leave of absence without pay to Union Stewards or Representatives of the members for the purpose of attending to Union business. Such leaves of absence shall not exceed two (2) weeks' duration, nor shall they exceed one (1) member at any one time unless otherwise mutually agreed.

ARTICLE 6 - HEALTH, WELFARE AND SAFETY

Article 6.01 - Safety Rules

The Company shall make adequate provisions for the safety and health of the employees during the hours of employment. It is agreed that in the matter of safety practices, the existing rules and regulations of the province of British Columbia shall govern.

Article 6.02 - Company Rules

- (a) It is agreed by both Parties that as a condition of employment the rules and regulations of the

Company, as posted on the notice boards, will be strictly obeyed, and that failure to do so shall be cause for discipline, including discharge providing such rules do not contravene the spirit and intent of this Agreement.

- (b) The Company agrees that prior to any change in the Company rules, the Union will be notified.

Article 6.03 - Safety Practice Committee

In an operation where the work force is less than twenty (20) employees, the employer shall initiate and maintain a less formal program based on regular monthly meetings with employees for discussion of health and safety matters. The meetings shall be directed to matters concerning the correction of unsafe conditions and practices and the maintenance of co-operative interest in the safety of the work force. The employer shall maintain a record of the meetings and the matters discussed.

Article 6.04 - On-Job-Injury

- (a) If an employee is injured to such an extent that, in the opinion of the First Aid Attendant, he/she is obliged to cease work, his/her wages will continue for the balance of the day during which he/she was injured.
- (b) The Company shall furnish adequate emergency transportation to and from the nearest suitable doctor or hospital for any employee injured or who has become seriously ill while on the Company's premises.
- (c) The Company shall furnish transportation home for any employee who has become injured or seriously ill while on Company premises if they do not require hospitalization.
- (d) In the event the employee disagrees with the opinion of the First Aid Attendant, he/she may elect to cease work and providing he furnishes the Company with a doctor's certificate confirming his inability to work on the day in question, he/she will be paid for the balance of that day.

Article 6.05

- (a) Coveralls or smocks shall be provided to employees by the Company. Laundering shall be paid for by the Company.
- (b) Full-time Painters and Sandblasters will be provided with suitable footwear for the job, by the Company.
- (c) Each employee shall be reimbursed the sum of \$70.00 per year for safety footwear. New employees will be entitled to the benefits of Article 6.05 (c) after ninety (90) days worked

with the Company.

- (d) Each employee will have the difference in cost between standard prescription lenses and safety prescription lenses paid by the Company.

Article 6.06 - Medical, Life Insurance Plans

The Parties agree to implement a health and welfare plan providing

- (a) B.C. Medical Plan.
- (b) Extended health plan.
- (c) Life insurance - \$20,000.00.
- (d) A.D. & D. - \$20,000.00.
- (e) Weekly Indemnity 1-1-4-52 at 66 2/3% of wages. The Company will provide sick leave at one (1) day per month but not exceeding three (3) days per year to be taken only in conjunction with a bridge at the start of Weekly Sickness.
- (f) Dental Plan - 80% Plan "A"
70% Plan "B"
- (g) Vision Care - \$200.00 per family member each two (2) years for the purchase of glasses and/or contact lenses.
- (h) The coverage for the fringe benefit package (a), (b), (c), (d), (e), (f) and (g) shall be provided through the Capri Townley (Group #270-89977 (this is the same as the policy number).
- (i) The cost of the above benefits shall be: 100% paid for by the employer.
- (j) Health and welfare coverage will commence as described herein.

Employees hired prior to the fifteenth (15th) day of the month shall be enrolled and coverage shall commence on the first day of the following month.

Employees hired after the fifteenth (15th) day of the month shall be enrolled and coverage shall commence on the first day of the second following month.

Article 6.07 - Bereavement Pay

In case of a death in the family of an employee, the Company will grant to the employee, three (3) days' leave of absence with pay at the employee's regular hourly rate of pay. Family shall mean:

Spouse, Father, Mother, Legal Guardian, Son, Daughter, Brother, Sister, Father-in-law, Mother-in-law, Grandfather and Grandmother. One (1) day's leave of absence with pay will be provided in the case of a death of a grandchild. An extra two (2) day's leave of absence with pay will be provided for Child and Spouse.

Article 6.08 - First Aid Attendant

Employees designated as First Aid Attendants shall receive the following payments in addition to their regular wage.

- \$0.29 per hour for "C" Certificate
- \$0.34 per hour for "B" Certificate
- \$0.39 per hour for "A" Certificate

Article 6.09 - Jury Duty Pay

An employee who is called for jury duty or who is subpoenaed as a witness will receive for each day of absence, the difference between pay lost, and the amount of the fee received, providing that the employee furnished the Company with a receipt signed by the proper Court Officer showing the amount of the fees received. When not required for actual Jury Duty, he/she will report for work as soon as possible. Provided an employee, prior to the start of Jury Duty, signs a wage assignment to the Company for fees to be received, the Company will not deduct the amount of fees from his/her pay until payment has been made by the Court.

Article 6.10

- (a) Employees shall be reimbursed by the Company for tuition and other course costs when taking educational training relating to their current employment, or equipping themselves for job progression and advancement and under the Safety and First Aid Attendants' Program.
- (b) Costs of employee training, including wages for those employees attending courses which result in a Certificate of competence in the course, or subject taken will be paid for by the Company, providing the course or subject is work oriented or it is of benefit to the Company.

ARTICLE 7 - HOURS, OVERTIME SHIFTS, HOLIDAYS

Article 7.01 - First Shift

Eight (8) hours of work between the hours of 7:00 a.m. and 5:00 p.m. shall constitute a work day on the first shift. The said eight (8) hours shall be mutually agreed to by the Company and the employee(s).

Article 7.02 - Work Week

Forty (40) hours of work in a five (5) day period shall constitute a work week, Monday through Friday, except when otherwise provided by mutual consent of the Parties hereto.

Article 7.03 - Service Employees

Certain service employees, i.e., Janitor, may be required to work other hours of work than those previously stated but in no case shall their hours of work exceed eight (8) hours per day nor shall their starting times be earlier than 5:00 a.m. and not later than 10:00 p.m.

Article 7.04 - Second Shift

If a second or evening shift is employed, it shall start at the end of the day shift, but shall end after seven and one-half (7 1/2) hours of work, the employees receiving eight (8) hours' pay at their regular rate, plus forty-three (\$0.43) cents per hour. An employee shall be given not less than five (5) working days' notice of change of shift and such notice shall be given prior to the start of the last shift preceding the change of shift. The new shift will start on the first working day of the week and continue for the balance of the week.

Shift weeks shall be Monday to Friday inclusive.

This does not preclude the possibility of mid-week or short notice shift changes for the replacement of sick or otherwise absent employees. The Company will as far as it is practical assign shift work on a fair and equitable basis and in so far as it does not conflict with this intent, the senior employee in the applicable classifications shall have shift preference.

Article 7.05 - Overtime

- (a) All hours worked in excess of hours specified for the day and afternoon shifts shall be paid at time and one-half the regular hourly rate of pay for the first hour immediately following the shift and double time thereafter.
- (b) All hours worked prior to 7:00 a.m. on day shift or prior to starting time on any shift, shall be paid at double the regular hourly rate of pay.
- (c) Work performed on Saturday/Sunday shall be paid for at the rate of double the regular hourly rate of pay.
- (d) Overtime premiums may be banked by the Company on a continuing basis at the option of the employee. Equivalent time off in lieu of payment to be taken at a time mutually agreed to by the Company and the employee. In the event that banked premiums are not used prior to December 31, of any year, payment of the balance will be made at the applicable rate of earnings in force at the time the overtime was worked.

Article 7.06 - Minimum Overtime Rates

- (a) Employees shall receive a minimum of one (1) hour's pay at overtime rates if required to work overtime.
- (b) Employees shall receive a minimum of four (4) hours' pay at overtime rates if called to work from their homes.
- (c) Employees shall receive one full day's notification if required to work overtime. In a case of emergency, this overtime notification may be waived.

Article 7.07 - Supper Money

Should an employee be required to work two (2) hours or more after quitting time, on any shift, he/she shall receive a half hour paid lunch period at the overtime rate, plus a \$10.00 cash meal allowance paid in advance of overtime.

Article 7.08 - Rest Period

The Company agrees to grant all employees covered by this Agreement two (2) twelve (12) minute rest periods, each day, one in the morning and one in the afternoon, at a time specified by the Company. Employees called upon to work overtime shall be granted a twelve (12) minute coffee break every two hours while overtime lasts.

Article 7.09 - Wash-Up Time

All employees shall receive a three (3) minute wash-up time prior to their mid-day lunch break and three (3) minutes prior to the end of their regular shift.

Article 7.10 - Special Rates

Employees required to weld on galvanized, or painted metal, shall receive one and one-half (1/2) times their normal rate for such time employed. This clause does not pertain to material coated with oil for storage purposes.

Article 7.11 - Outside Work

For work done outside the shop the Journeyman shall receive the rate of pay and conditions outlined in the appropriate Inside Wiremen's Agreement with the International Brotherhood of Electrical Workers. Employees other than Journeymen will receive the Journeyman Wireman's rate of pay if sent out to the job alone; otherwise, such employees shall receive the same percent differential as that between the current manufacturing Journeyman rate and the current Journeyman Wireman rate at the time the work is performed.

Article 7.12 - Annual Holidays

- (a) Employees who have completed less than two (2) years' continuous service by December 31, will receive an annual vacation in accordance with the Annual and General Holidays Act of British Columbia dated June 1, 1966.
- (b) Employees who, as at their anniversary date each year, have two (2) years' service, shall receive three (3) weeks' vacation in that calendar year, with pay at 6% of his/her total wage for the "holiday year".
- (c) Employees who, as at their anniversary date each year, have eight (8) years' service, shall receive four (4) weeks' vacation in that calendar year, with pay at 8% of his/her wages for the "holiday year".
- (d) Employees who, as at their anniversary date each year, have eleven (11) years' service, shall receive five (5) weeks' vacation in that calendar year with pay at 10% of his/her total wages for the "holiday year".
- (e) Employees who, as at their anniversary date each year, have eighteen (18) years' service, shall receive six (6) weeks' vacation in that calendar year with pay at 12% of his/her total wages for the "holiday year".
- (f) An employee who has completed two-hundred and twenty-five (225) days of actual work (inclusive of a maximum of twenty-two (22) days of absence due to verified illness, accident, or authorized leave of absence, which twenty-two (22) days shall be considered days worked) during the "holiday year" shall be entitled to the greater of 4% or equivalent hours of pay, 6% or 120 hours of pay, 8% or 160 hours of pay, 10% or 200 hours of pay, 12% or 240 hours of pay in (b), (c), (d) or (e) respectively.
- (g) If during the term of this Agreement, the federal and/or British Columbia provincial government shall, by legislation, set forth certain minimum vacation allowance standards to be observed within the province of British Columbia, and such minimum vacation allowance standards are greater than the vacation allowance provided for in this Agreement, then such new minimum vacation allowance standards shall become part of this Agreement.
- (h) The "holiday year" for vacation pay is defined as the period July 1 to June 30 inclusive.
- (i) No employee shall be permitted to accept pay in lieu of actual vacation time off.

Vacation periods are non-cumulative. An employee shall take all his/her vacation by December 31 of each year.

Article 7.13 - General Holidays

- (a) Double time in addition to regular general holiday pay shall be paid employees for work performed on the day on which the following general holidays are observed.

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	Christmas Eve
New Year's Eve	Heritage Day

or any other day which might be declared by the federal or provincial governments.

If the general holiday falls on a Saturday or Sunday, it will be observed on the following Monday; unless otherwise mutually agreed. In addition to the statutory holidays listed above one further floating holiday will be observed in each calendar year which will be mutually agreed upon and normally related to a weekend.

- (b) If no work is performed on the general holiday enumerated in Article 7.13 (a), employees shall receive straight time pay, at regular rates.
- (c) In order to qualify for the pay set out in Article 7.13 (a) above, an employee must have been on the payroll of the Company for at least one (1) calendar month prior to the holiday.
- (d) When one of the aforementioned paid holidays occur during the period when an employee is taking his or her annual holidays, he or she shall receive an extra day's holiday in accordance with the provisions of the Agreement.
- (e) No member of the Union shall be required to work on Labour Day excepting to preserve life or property.
- (f) An employee on excused absence or who is on Sickness and Accident or Workers' Compensation Board benefits, will be paid for the holidays falling during the benefit period but in no case for a period exceeding four (4) months.

Article 7.14 - Payment of Wages

Wages shall be paid every second Friday before quitting time.

ARTICLE 8 - R.R.S.P.

Each employee will set up their own R.R.S.P. and the Company agrees to pay into the employees'

R.R.S.P. \$0.55 per hour for hours worked up to a maximum of forty (40) hours per week per employee. In addition, the Company will pay 3.5% of an employee's hourly rate for all hours worked on behalf of each employee to the employees' R.R.S.P.

ARTICLE 9 - JOINT CONSULTATION COMMITTEE

A joint committee shall be established to discuss issues relating to the work place that affect the Parties or an employee bound by the Collective Agreement. The Committee will meet at least once every two (2) months as per the Labour Relations Code, Part 53.

ARTICLE 10 - AGREEMENT SIGNATURES

IN WITNESS WHEREOF the Parties have hereunto affixed their hands and seals through their respective officers.

PARTY OF THE FIRST PART:

Signed for by the Company,
WESTERN SYSTEM CONTROLS LTD.

General Manager

Date

PARTY OF THE SECOND PART:

Signed for by the Union,
IBEW LOCAL 258

DOUGLAS S. McKAY
Business Manager and
Financial Secretary

Date

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APPENDIX "A"

WAGE RATE

	<u>April 1, 2007</u>	<u>April 1, 2008</u>	<u>April 1, 2009</u>	<u>April 10, 2010</u>
Chargehand	\$ 27.53	28.63	29.78	30.97
Journeyman	\$ 23.91	24.87	25.86	26.90
Improver	\$ 22.50	23.40	24.33	25.30
Production Mechanic				
After 24 months	\$ 21.07	21.91	22.79	23.70
After 18 months	\$ 19.61	20.40	21.21	22.06
After 12 months	\$ 19.31	20.09	20.89	21.72
After 6 months	\$ 18.93	19.69	20.47	21.29
Hiring Rate:				
One to three months	\$ 15.56	16.18	16.83	17.50
Four to six months	\$ 17.01	17.69	18.40	19.14
Summer Student	\$ 12.10	12.58	13.08	13.61
Lead Hand	\$ 25.69	26.72	27.78	28.90

APPENDIX "B"

CLASSIFICATIONS

JOURNEYMAN-ELECTRICAL

Tradesman with ability and experience to lay out, develop, and assemble complete manufactured products including wiring and testing. Must have a working knowledge of C.S.A. requirements concerning air gaps, insulation and creepage between electrical circuits and ground. Must be able to read and work from blue prints. Required to bring to completion any project without supervision.

JOURNEYMAN-MACHINIST

Operator with ability and experience to set up work and operate machine tools, such as lathes, millers, shapers, surface grinders, drill presses, etc. Must be capable of making fixtures for any machining operation in the plant. Must be capable of dismantling, repairing and overhauling these machines and other machinery in the plant within the capabilities of the plant equipment. Must be capable of making simple templates, drill jigs, welding and assembling jigs to nominal tolerances without detailed instructions or guidance other than samples of finished part or drawing thereof. Must have a working knowledge of the physical properties of tool steel and the principles of its heat treatment and be able to employ these principles. Must have a thorough knowledge of Standard Screw threads and of the physical properties of common metals such as steel, cast iron, bronze, and aluminium. Must have ability to read and work from blue prints.

JOURNEYMAN-WELDER

Operator capable of doing both oxyacetylene and electric arc (both AC and DC) welding. Must have a satisfactory knowledge of the type of welding rod and current required for various types of metal to be welded. Must have knowledge of proper use and care of equipment, such as oxygen and acetylene supply tanks, regulating valves, hoses, torches and arc welding machines. Must be capable of producing neat welded joints either horizontal, vertical or overhead. Must have knowledge of silver soldering and ability to do silver soldering, brazing and oxyacetylene cutting. Must have knowledge of the principles of heat treatment of steel. Must be able to read and work from blue prints.

NOTE: All Journeymen must be sufficiently responsible to work without direct supervision and must be capable of instructing and directing other lower paid employees within the trade.

LEAD HAND

Must be a fully qualified Journeyman Electrician (T.Q.) with proven experience in all aspects of electrical control panel manufacturing. The LEAD HAND will be responsible for the training of

new employees and to lead, guide and direct employees in their daily duties. The LEAD HAND may also be assigned duties as well.

JOURNEYMAN-PAINTER

Employee qualified to apply all types of paint and under-coatings with brush or spray gun. Must have knowledge of proper types of thinner and reducers to use with various paints to obtain required curing time and compatibility.

IMPROVER

Employees who have had at least thirty (30) months experience as Production Mechanic. Must be able to read and work from blue prints and fabricate first class work under supervision of a Journeyman and fabricate smaller custom work without supervision and instruct Production Mechanic on this type of work. Must be able to work with the tools of the trade and necessary available machines in the plant.

Improver classifications shall apply in the following trades within a manufacturing plant.

Machinist

Electrical

Welding

PRODUCTION MECHANIC

Employees who have two years in this plant or its equivalent. They shall be able to work with the tools of the trade and necessary available machines in the plant, except turret lathe and milling machine, on independent jobs under supervision of an Improver or a Journeyman. Must be able to read and work from blue prints.

BEGINNER

Employees direct from school or who have less than six months experience in the electrical manufacturing industry to perform work of direct assistance to other classifications and progresses to Production Mechanic after a period of two years.

LETTER OF UNDERSTANDING

BETWEEN:

WESTERN SYSTEM CONTROLS LTD.
(hereinafter referred to as the "Company")

PARTY OF THE FIRST PART;

AND:

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS,
LOCAL 258
(hereinafter referred to as the "Union")

PARTY OF THE SECOND PART;

1. To provide summer employment for students for the period May 1 to Labour Day each calendar year. Local Union 258 members will be given first preference for hire.
2. There will be no summer students hired when members are on layoff or when work sharing programs are in effect.
3. Conditions of work and pay will be in accordance with the Collective Agreement except that they will not participate in the Health and Welfare or Pension Plans of the Company, nor will they have any rights under the following Articles of the Collective Agreement.

Article 14 - Technological Change
Article 22 - Seniority
Article 26 - Layoff
Article 26 - Promotions

DATED THIS 14th DAY OF January, 2008

SIGNED ON BEHALF OF THE COMPANY
WESTERN SYSTEM CONTROLS LTD.

SIGNED ON BEHALF OF THE UNION
LOCAL 258 OF THE IBEW

General Manager

DOUGLAS S. McKAY
Business Manager and
Financial Secretary

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