

COLLECTIVE AGREEMENT

BETWEEN

**KENNAMETAL LTD.
VICTORIA, BC**

AND

**UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING, ENERGY,
ALLIED INDUSTRIAL AND SERVICE WORKERS' INTERNATIONAL UNION
(UNITED STEELWORKERS)
(ON BEHALF OF LOCAL UNION 2952)**

January 1, 2008 – December 31, 2010

**Errors & Omissions Excepted
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BETWEEN:

**KENNAMETAL LTD. of
873 Station Avenue
Victoria, British Columbia V9B 2S2**

(hereinafter called the "Company")

OF THE FIRST PART

AND:

**UNITED STEELWORKERS
on behalf of the Local Union 2952,**

(hereinafter called the "Union")

OF THE SECOND PART

WHEREAS it is the intent and purpose of the parties that this Agreement will promote and improve the industrial and economic relationship between the Company and the Union, and to set forth herein the basic agreements covering rates of pay, hours of work and conditions of employment to be observed between the parties.

AND WHEREAS it is the intent and purpose of both the Company and the Union to secure and sustain maximum productivity per employee during the term of this Agreement. Both parties recognize the importance in the savings of materials, tools, machinery, and the protection of all Company property and the safety and welfare of all employees.

NOW THEREFORE in consideration of the mutual covenants and agreements herein set forth, the parties mutually agree as follows:

ARTICLE 1 – BARGAINING AGENCY AND RECOGNITION

- 1.01 The Company recognizes the Union as the sole and exclusive bargaining agency for its employees, as described in the current Certification issued by the Labour Relations Board of British Columbia for the purpose of collective bargaining with respect to rates of pay, hours of employment and other conditions of employment.
- 1.02 Employees whose regular jobs are not in the bargaining unit shall not work on any jobs which are included in the bargaining unit, subject to one or more of the following exceptions:

- (a) to do test work and tune-up work on new or modified equipment;
- (b) for instructional purposes;
- (c) for the purpose of experimentation;
- (d) for the development of new methods or products;
- (e) for specialized projects not normally within the realm of day to day plant production;
- (f) to do necessary work where the utilization of employees cannot be effected quickly enough to sustain necessary production in the various departments;
- (g) for emergency purposes, repairs and maintenance.

PROVIDED that none of the foregoing exceptions will alter the conditions of employment of employees to their detriment.

ARTICLE 2 – DEFINITION OF EMPLOYEE

2.01 The term “employee” as used in this Agreement is restricted to hourly paid employees at 873 Station Avenue, Victoria, B.C. V9B 2S2 except office, clerical and technical staff. Where the masculine gender is given in this Agreement, it shall equally apply to the feminine.

ARTICLE 3 – MANAGEMENT

- 3.01 The management and control of the Company and the direction of working forces, including the right to plan, direct, control and schedule Company operations, methods of production and processing, the kind and operation of machinery and equipment, the installation of production standards, the right to hire, suspend, maintain discipline, discharge for proper cause, promote, demote, transfer, lay off, and the right to introduce or improve production facilities are vested exclusively in the Company subject to the provisions of this Agreement.
- 3.02 The Union agrees that it will not oppose or interfere with the efforts of the Company to maintain or improve the skill, efficiency, ability, and production of the working forces, the quality of its products, and the methods and facilities of production, subject to the provisions of this Agreement.

ARTICLE 4 - UNION SECURITY PROVISIONS

- 4.01 (a) The Company agrees that any present employee of the Company who at the date of signing this Agreement, is a member of the Union, will, as a condition of continued employment, maintain membership in the Union in good standing.
- (b) All new employees after the renewal date of this Agreement will, as a condition of continued employment, join the Union after completing a probationary period, and as a condition of continued employment maintain membership in the Union in good standing.
- 4.02 (a) The Company agrees to deduct each pay period, from the earnings of every employee covered by this Agreement such dues as may be fixed by the International Union in accordance with the International Constitution and communicated to the Company by the Union. The total amount so deducted, with an itemized statement of same in duplicate will be forwarded to the Union in the manner provided for in subsection (b) and (c) hereof.
- (b) Cheques will be made payable to Jim English (or his successor), International Treasurer of the United Steelworkers. Until further notice from the Union, all cheques will be forwarded to the United Steelworkers, Unit D, Box 34233, Vancouver, BC, V6J 4N1, made payable aforesaid and prior to the 15th of the month next following that in which the deductions apply.
- (c) The monthly remittance shall be accompanied by a statement showing the names of each employee from whose pay deductions have been made, and the total amount deducted for the month. Such statements shall also list the names of the employees from whom no deductions have been made, and the reasons why.
- 4.03 The Union agrees to indemnify and to hold the Company harmless against any claims which may arise in consequence of the Company's complying with the provisions of this Article.
- 4.04 Union members are to be supplied with Union deduction totals for income tax purposes. The Company agrees to show on employees' "T4" slips the total Union deductions for the previous taxation year.

ARTICLE 5 – HOURS OF WORK

- 5.01 This Article defines the standard hours of work and shall not be constituted as guarantee of hours of work per day per week. The standard work week shall be forty (40) hours.

- 5.02 **First Shift** The standard work day will consist of ten (10) hours worked and start up time will be between 6:00 a.m. and 8:00 a.m. **Standard Week** Four consecutive shifts, Monday to Friday inclusive, will constitute a standard week's work on first shift.
- 5.03 **Second Shift** Where a second shift is employed, the hours of work will be ten (10) hours worked and start up time will be between 3:00 p.m. and 5:00 p.m. **Standard Week** Four consecutive shifts, Monday to Friday inclusive, will constitute a standard week's work on second shift.
- 5.04 **First Shift** The standard work day will consist of eight (8) hours worked and start up time will be between 6:00 a.m. and 8:00 a.m. **Standard Week** Five shifts, Monday to Friday inclusive, will constitute a standard week's work on first shift.
- 5.05 **Second Shift** Where a second shift is employed, the hours of work will be eight (8) hours worked and start up time will be between 2:00 p.m. and 4:00 p.m. **Standard Week** Five shifts, Monday to Friday inclusive, will constitute a standard week's work on second shift.
- 5.06 **Third Shift** Where a third shift is employed, the hours of work will be eight (8) hours worked and start up time will be between 9:30 p.m. and 12:00 a.m. **Standard Week** Five shifts, Monday to Friday inclusive, will constitute a standard week's work on third shift.
- 5.07 **Maintenance and Sintering Schedule** Maintenance and Sintering employees whose normal work cannot be done during the Monday to Friday period may have their standard work week run from Tuesday to Saturday with overtime provisions as outlined in Section 5.08. Maintenance and Sintering employees must receive one week's notice of change of work week. It is understood and agreed that the Company may, when necessary to meet production commitments, institute a seven day operation. The Company will meet with the Union to discuss a mutually agreeable schedule in advance of its implementation.
- 5.08 **Overtime**
- (a) Subject to Section 5.01, time worked in excess of standard hours of work specified herein shall be considered as overtime and shall be paid for at the rate of one and one-half times the employee's regular straight time hourly rate. When an employee works overtime in any one standard work week, time worked in excess of forty-six (46) hours and all time worked on Sundays shall be paid at two times the employee's regular straight time rate.

- (b) **Overtime – Voluntary** Overtime is voluntary, however, employees may be required to work overtime because of an emergency necessitating the carrying out of urgent repairs.
- (c) **Meal Money** Employees requested to work overtime shall be given four (4) hours notice and in the event such notice is not given the Company will pay meal money as follows:

\$7.50 on January 1, 2001.
- (d) **Overtime Distribution** Overtime shall be distributed as equitably as possible among the employees in that particular job classification who have signified voluntarily that they wish to work overtime. The Company shall prepare a list of such employees, commencing with the most senior employee and the overtime work shall be then rotated amongst the employees on that list, commencing with the most senior employee. Employees should not be requested to perform work outside their job classification, except when there are no employees in that job classification available to do the work.
- (e) **Overtime – Where Shift Premium Paid** If overtime is worked on a shift where a shift premium is paid, the shift premium will not be included in the rate for the calculation of overtime.

- 5.09 (a) **Hours Before Regular Shifts** Any employee called in before his regular starting time shall be paid time and one-half for time worked prior to his regular starting time unless otherwise arranged by mutual consent.
- (b) **Meal/Rest Periods** A meal period shall not be less than thirty (30) minutes, unpaid, and in no event shall employees be required to work more than five (5) consecutive hours without lunch. An employee shall be entitled to two ten (10) minute, paid rest breaks – each shift.

- 5.10 **Reporting Pay** Subject to the exceptions set forth in this section, any employee reporting for work on his regular shift shall receive a minimum of four (4) hours pay at his regular rate, provided that if four hours work is not available at his regular job, he shall perform such temporary work as may be assigned to him to qualify for such pay.

The provision of this section shall not apply in the event of an emergency, such as fire, flood, power failure, or if:

- (a) he voluntarily quits or lays off, or is discharged for cause;
- (b) he was previously instructed not to report, and in any such event, or circumstances, he shall be paid for the actual time worked.

- 5.11 **Call-In Pay** Employees recalled to work after leaving the premises of the Company shall be guaranteed a minimum of four (4) hours work, or pay equivalent thereto, at applicable rates for hours worked, as set forth in this Article.
- 5.12 **Reporting – Unable to Work** An employee who is unable to report for his or her regular shift must notify his or her immediate supervisor or his appointee prior to the start of the shift or as soon thereafter as possible.
- 5.13 **Travel Time** Time traveled by an employee shall be paid within the jointly agreed travel pay guidelines.

ARTICLE 6 – PLANT HOLIDAYS

6.01 The Company shall observe the following days as Plant Holidays:

- | | |
|-------------------|---------------------|
| 1. New Year's Day | 6. Labour Day |
| 2. Good Friday | 7. Thanksgiving Day |
| 3. Victoria Day | 8. Remembrance Day |
| 4. Canada Day | 9. Christmas Day |
| 5. B.C. Day | 10. Boxing Day |

In addition to the foregoing Plant Holidays, two (2) additional Plant Holidays shall be observed either as floating holidays or upon dates agreed between the Company and the Union. The dates of the two floating holidays are to be selected by March 1 to coincide with announcement of plant shutdown plans.

- 6.02 When the Plant Holidays listed in Section 6.01 fall on Saturday or Sunday they will be celebrated on Monday, and when they fall on consecutive Saturday and Sunday or consecutive Sunday and Monday, they will be celebrated on the following Monday and Tuesday.
- 6.03 No employee shall be required to work on any of the Plant Holidays listed in Section 6.01 unless he is working on continuous operations or is otherwise required to work because of breakdown emergency, or because he provides essential services for continuous operations.
- 6.04 On each of the Plant Holidays listed in Section 6.01:
 - (a) An employee who is not required to work shall receive an amount equal to eight (8) hours pay at his regular basic hourly wage rate, provided that such employee shall have worked on the last regular shift to which the employee was assigned before the holiday and on the first regular shift to which the employee is assigned after the holiday, unless he was unable to

work because of medical reasons which are substantiated to the satisfaction of the Company.

- (b) An employee who is required to work and does work shall receive, in addition to one and one-half times his basic hourly rate for all hours worked on that day, an amount equal to eight (8) hours pay at his regular basic hourly wage rate for each shift worked or part thereof.

6.05 The provisions of this Article shall apply only to employees with 30 or more calendar days of employment with the Company.

ARTICLE 7 – VACATIONS WITH PAY

7.01 Employees will receive vacation and be paid for the vacation in accordance with the following schedule:

<u>Years of Continuous Service</u>	<u>Vacation Period</u>	<u>Vacation Pay</u>
-Less than one year	.83 of a day for each major fraction of month worked (max. 10 working days)	4%
-1 year but less than 4 years	2 weeks	4% or 2 wks pay (whichever is greater)*
-4 years but less than 10 years	3 weeks	6% or 3 wks pay (whichever is greater)*
-10 years but less than 20 years	4 weeks	8% or 4 wks pay (whichever is greater)*
-20 years and over	5 weeks	10% or 5 wks pay (whichever is greater)*

*Pay at employee's current classified rate; whichever is greater as calculated at the end of the fiscal year.

7.02 **Vacation Shutdown** The Company may shut down its operation at Victoria for two weeks every summer during the time overlapping between the end of July and the beginning of August. All two week vacations will be taken at this time, except for those employees required to service the plant facilities during the annual shutdown. Additional weeks applicable will, if possible, be taken at a time agreeable to both the employee and the employer.

The date of the summer shut down period will be announced by March 1.

ARTICLE 8 – SENIORITY

- 8.01 **Probationary Period** Until an employee has completed a probationary period of four hundred eighty (480) hours of work within a period of six (6) consecutive months, he shall be considered to be on a probationary basis, having no seniority rights.
- 8.02 **Seniority Principle** Seniority shall be recognized in all management decisions relating to promotion, new jobs, transfers, lay offs, or rehiring.
- 8.03 Company seniority shall be the determining factor governing promotions and demotions providing the employee has basic qualifications, such as skill, ability and training to do the work required. Company seniority shall be the determining factor governing lay offs and re-employment providing the employee has basic qualifications such as skill, ability and training to do the work required. This Article applies to all positions held by those defined by the term “employee” in this Agreement.
- 8.04 Company seniority shall be computed in years and days of employment and shall, subject to Section 8.01, be based on elapsed time from the date of employment, or if there has been a break in service, from the date of re-employment.
- 8.05 Seniority standing shall be cancelled if an employee:
- (a) voluntarily leaves the employ of the Company,
 - (b) is discharged for just and reasonable cause, and not reinstated under the terms of this Agreement,
 - (c) overstays authorized leave of absence, without providing a reason satisfactory to the Company for such absence,
 - (d) fails to respond within seven (7) working days after recalled after lay off. Any offer of recall shall be made by registered letter or telegram addressed to the last address furnished by the laid off employee,
 - (e) is absent from work for more than two (2) consecutive working days without providing a reason satisfactory to the Company for such absence.
- 8.06 Seniority standing shall be maintained and accumulated during:
- (a) absence due to temporary lay off because of lack of work for the following periods:

- i) under one (1) year service – one hundred eighty (180) days,
 - ii) one (1) or more years service – twelve (12) months,
 - iii) over five (5) years service – twenty-four (24) months.
- (b) occupational accident,
 - (c) leave-of-absence granted by the Company,
 - (d) absence due to temporary illness or non-occupational accident.
- 8.07 Shop Stewards will be issued an up-to-date seniority list on or about June 30 and December 31 of each year. A copy of such seniority list will be mailed to the area office of the Union and a copy posted on the Employer bulletin boards for employees' inspection. The Employer agrees to provide the Union every December 31 with a seniority list, which includes the employees' addresses, telephone numbers, rates of pay and regular classification.

ARTICLE 9 – SAFETY AND HEALTH

- 9.01 **Safety & Health – Responsibility** The Company and the Union shall continue to make reasonable provisions for the safety and health of its employees during the hours of employment. Protection devices and other equipment necessary to properly protect its employees from injury shall be provided for by the Company in accordance with the rules and regulations of the Factory Act and the Workers' Compensation Act.
- 9.02 **Safety Committee** The Company and the Union shall establish a Joint Safety and Health Committee, consisting of three (3) employees selected by the Union who shall meet with up to three (3) management representatives to discuss matters brought before it by either the Company or the Union in accordance with the Workers' Compensation Board regulations.
- 9.03 **Injured Employee – Reporting Procedure** Any employee suffering an injury while at work must report immediately to the First Aid Attendant or as soon thereafter as possible.
- 9.04 **Injured Employee – Transportation** Employees injured on the job will be provided with free transportation by the Company to or from a doctor's office, or a hospital, and if the injury is serious, will be accompanied by a person with the knowledge of first aid. The Company will supply the employee with free transportation home, if this is deemed necessary by the First Aid Attendant.
- 9.05 **Wages – First Day of Injury** If an employee is injured on the job, the Company will maintain his normal daily earnings for the day of injury.

9.06 **Safety Boot Allowance** Effective February 1, 1989 and thereafter, safety shoes or boots will be required throughout all manufacturing areas of the plant. Once in each calendar year, the Company will provide to each eligible employee, an allowance to help offset the cost of this foot protection. Safety boot allowance will be:

\$60 effective January 1, 2000.

The unused safety boot allowance each year will be a cumulative safety boot allowance, until purchase of a pair of safety boots is made, which cost will then be deducted from the account. The unused account balance remains in the account. There shall be no conversion of the account balance to a cash payment.

ARTICLE 10 – GENERAL PROVISIONS

10.01 **Bulletin Board** The Company agrees that it shall provide, for the purpose of the Union, a bulletin board. The Union shall use such bulletin board for the posting of notices of Union activity, but all such notices must be signed by a proper officer of the union before being posted.

10.02 **Notices – Between Company and Union** Any notice required to be given to the Company under the terms of this Agreement shall be given by registered mail addressed to it at its registered address in the city of Victoria, B. C. Any notice to be given to the Union under the terms of this Agreement shall be given by registered mail addressed to the Secretary of the Union at its registered office in the City of Burnaby, B.C.

10.03 **Bereavement Pay**

- (a) For absences due solely to the death of his legal spouse or natural, adoptive child or step-child, he shall be paid forty (40) hours times his regular straight time hourly rate.
- (b) For absences due solely to the death of his mother, father, sister or brother, (or step equivalents), or mother-in-law, father-in-law, grandparents, he shall be paid twenty-four (24) times his regular straight time hourly rate.

10.04 **Union Access to Plant** Representatives of the Union, not to exceed two (2) at any one time shall have access to the Company's premises. Representatives will not cause workmen to neglect their work and shall first obtain clearance from the Company.

10.05 **Jury Duty** An employee with one (1) or more years seniority who is summoned and reports for jury duty as prescribed by applicable law shall be paid by the Company an amount equal to the difference between the amount of wages the employee otherwise would have earned by working during straight-time hours for the Company on that day and the daily jury duty fee paid by the Court (not including travel allowance or reimbursement of expenses) for each day on which he reports for or performs jury duty and on which he would otherwise have been scheduled to work for the Company.

The Company's obligation to pay an employee for jury duty is limited to a maximum of thirty (30) days in any calendar year.

In order to receive payment an employee must give his Supervisor prior notice that he has been summoned for jury duty and must furnish satisfactory evidence that he reported for or performed jury duty on the day(s) on which he claims such payment.

10.06 **Union Positions** The Unit President and Chief Steward shall be retained in employment regardless of the seniority rules in Article 8 provided he or she is able to do the work available.

10.07 **Clean Up** A five minute wash-up time shall be allowed prior to the completion of each shift to safely put away tools and materials, to wash their hands and to prepare to leave the plant; but employees shall not badge out or leave the premises before regular quitting time.

10.08 **Strike/Lockout** The Union and the employees agree not to strike or in any way cause, permit or tolerate any interruption of, or interference with Company operations. The Union and the employees further agree that there will be no stoppage or slowing down of work of any nature during the life of this Agreement. The Company agrees not to lock out employees during the term of this Agreement.

10.09 **Leave of Absence – Personal Reasons** An employee shall be granted up to thirty (30) days leave-of-absence without pay, if it is requested from the Company in writing, and does not interfere with the operation, except in emergency situations. Such leave will not be unreasonably withheld.

10.10 **Union Committees** Employees up to a maximum of three (3) selected by the Union as members of the grievance committee will not suffer loss of pay while processing in good faith with Management a grievance on Company premises.

10.11 **Leave of Absence – Union Business** Employees who have been elected or appointed by the Union to attend international, national or local gatherings of the Union, will receive a leave-of-absence without pay for that purpose, provided that such leave does not unduly interfere with the operation. Not more than two (2)

employees may take such leave at one time, and if two employees are to be granted leave they must not work in the same department. Employees desiring leave under this Section must provide two (2) weeks written notice to the Company and this notice must be confirmed by the Union.

10.12 **Joint Union/Management Committee** A Joint Committee consisting of three (3) union members and three (3) management members will meet monthly to discuss and resolve plant issues.

10.13 **Negotiating Committee**

- (a) The Employer agrees to recognize and deal with a Negotiating Committee of not more than three (3) employees, who will be regular employees of the Employer, along with representatives of the International Union.
- (b) The Negotiating Committee is a separate entity from other committees, and will deal only with such matters as are properly the subject matter of negotiations, including proposals for the renewal or modification of this Agreement.
- (c) The Employer agrees to allow members of the Negotiating committee the time off work with loss of pay for the purpose of meeting with the Employer in the negotiation of the renewal or modification of this Agreement.
- (d) During negotiations for a new Collective Agreement, the Employer shall place employees, members of the Negotiating Committee, on first shift.

ARTICLE 11 – GRIEVANCE PROCEDURE AND ARBITRATION

11.01 A grievance may arise only from a dispute concerning the interpretation, application, administration or alleged violation of this Collective Agreement. A grievance will be submitted in the following manner:

Step 1 – The employee shall take up the grievance in writing directly with his Supervisor accompanied by his Steward. The Supervisor shall give his answer in writing to the grievance no later than the fourth working day following the day upon which he received the grievance.

Step 2 – If the decision of the Supervisor is not acceptable, it shall be appealed in writing by the Steward to the next level of management within four (4) working days from receipt of the Supervisor's decision in Step 1 above. That individual shall give his answer to the grievor in writing not later than the third working day following the day upon which he received the grievance.

Step 3 – If the decision of the next level of management is not acceptable, it shall be appealed in writing by the Chief Steward to the Plant Manager or his

designated representative, within three (3) working days from receipt of the next level of management's decision in Step 2 above. The Plant Manager or his designated representative, shall arrange a meeting within five (5) working days from receipt of the grievance with the grievance committee, and the Plant Manager, or his designated representative, shall give his answer in writing within five (5) working days following the date of the meeting. An International Representative of the Union or his designated representative may be present at this meeting at the request of either party.

- 11.02 In the event that arbitration of a grievance is desired by either party, then the other shall be notified in writing not later than thirty (30) days after receipt of the answer to Step 3 above. Any matter referred to arbitration shall be submitted to a single arbitrator selected by the parties within seven (7) days after receipt of the notice to arbitrate. If the two parties fail to agree on an arbitrator within the time limit, the Minister of Labour for the Province of British Columbia, upon the request of either party, shall appoint an impartial arbitrator.
- 11.03 The parties will jointly bear the expenses of the arbitrator. The proceedings of the arbitration board will be expedited by the parties hereto.
- 11.04 (a) No discharge grievance shall be considered if it is not submitted within fifteen (15) working days from the date of discharge.
- (b) No grievance shall be considered if it has not been processed according to the above provisions of this procedure, or if the alleged circumstances giving rise to the grievance became known more than fifteen (15) working days prior to the submission of the grievance. If a grievance is not processed within the time limits as set forth in all of the provisions of this article and Section 9.02, then the grievance will be considered to have been dropped. If the Company fails to answer a grievance within the specified time limits then the grievance may proceed to the next following step. Any time limits specified above may be altered by mutual agreement of the parties.
- 11.05 In determining any grievance arising out of discharge or other discipline, the board may dispose of the claim by affirming the Company's action and dismissing the grievance, or by setting aside the disciplinary action involved and restoring the griever to his former position, with or without compensation, or in such other manner as may in the opinion of the board, be justified, but the board shall not have the authority to alter, modify or amend any part of this Agreement, nor to make any decision inconsistent with the provisions thereof, nor to deal with any matter not covered by this agreement.
- 11.06 **Discipline and Discharge** All warnings, suspensions, or reprimands shall be rescinded after a period of two (2) years from the date of the last recorded

disciplinary action and such notices shall not be used against the employee thereafter.

11.07 Unless the difference is a matter of urgency or a source of industrial unrest, the parties shall exhaust the grievance procedure under this Article before bringing application to the Labour Relations Board of BC under Section 84(1) of the Labour Code. To that extent pursuant to Section 84(2) of the Labour Code, the operation of Section 84(1) of the Labour Code is specifically excluded.

ARTICLE 12 – BENEFITS

12.01 Welfare

The Company agrees to institute, maintain and contribute 80% of the premium towards a Welfare Plan. Benefits provided by the plan are those set forth.

(a) Group Medical with extended health benefits.

(b) Group Life Insurance of:

\$46,000 effective January 1, 2008.

\$47,000 effective January 1, 2009.

\$48,000 effective January 1, 2010.

(c) Accidental Death and Dismemberment Insurance of:

\$46,000 effective January 1, 2008,

\$47,000 effective January 1, 2009.

\$28,000 effective January 1, 2010.

(d) **Weekly Indemnity (Sickness & Accident Insurance)**

Benefit level for this coverage to be sixty-six and two-thirds percent (66 2/3%) of wages to a maximum of \$470 per week as of January 1, 2008, \$480 per week as of January 1, 2010. Coverage to commence on the first day of accident and fourth day of sickness for maximum of twenty-six (26) weeks.

(e) Dental Plan: 100% Basic A and 50% Crown and Bridges Plan B.

(f) The Company will reimburse, with receipt, each employee a maximum of \$40.00 toward an eye exam once every two years.

12.02 Group Registered Retirement Savings Plan

Effective July 1, 1989, employees covered by this Agreement will be eligible to participate in the Company sponsored Group Registered Retirement Savings

Plan. Participation will be voluntary and will be governed by the established administrative procedures of the Group Registered Retirement Savings Plan. Contributions made by those employees who elect to participate will be matched by equal Company contributions, up to and including a maximum of:

\$0.85 per hour effective January 1, 2008,
\$0.95 per hour effective January 1, 2009,
\$1.00 per hour effective January 1, 2010.

ARTICLE 13 – JOB POSTINGS

13.01 Job Postings (Not Temporary)

All job openings (not temporary) in the bargaining unit will be posted on the bulletin board for five (5) working days. An employee desiring the position must make a written application within the same five working days.

13.02 The senior employee's right to the job is based upon this application for the job and the requirements of Article 8, Sections 8.03 and 8.04 of this Agreement.

13.03 The Company will have the responsibility of providing notice of the posting to any absent employee at his last address in order to determine whether or not he wishes to apply for a permanent job opening.

13.04 Employees shall be limited to two (2) successful bids in any twelve (12) month period.

13.05 In the event that an employee fills the posting in accordance with the provisions of this article, and within thirty (30) working days, is not performing satisfactorily, or the employee has a legitimate and reasonable concern for not continuing, he will revert to his immediate previous job.

13.06 If a qualified applicant does not apply for a job posting, the posting will remain active for thirty (30) calendar days after its date of issue.

13.07 Job Postings (Temporary)

(a) Job openings in the bargaining unit not subject to the Job Posting Procedure shall mean:

Those job openings resulting from absences allowed under the terms of this Agreement up to a maximum of twenty (20) days.

(b) All job openings (temporary) shall be filled in accordance with the principle established in Article 8, Sections 8.03 and 8.04 of the Collective Agreement.

ARTICLE 14 – APPRENTICESHIPS

- 14.01 It is mutually agreed that apprentices will be indentured under the provisions of the Apprenticeship Act of the Province of British Columbia.
- 14.02 The number of apprentice employees shall be determined by the Company as will the manpower requirements of the Skilled Trades Group. **If** at any time there is a need to increase the complement of the Skilled Trades Group, the Company retains the right to hire skilled trades employees from outside the bargaining unit.
- 14.03 Establishing the appropriate conditions for entering apprenticeship are documented in the apprenticeship selection criteria.
- 14.04 The rate of pay for apprentices shall be determined according to the provisions of the Apprenticeship Act of the Province of British Columbia.

ARTICLE 15 – TECHNOLOGICAL CHANGE

- 15.01 (a) It is understood that there may be technological changes introduced by the Company that affect the terms and conditions, or security of employment of a significant number of employees, or alter significantly the basis upon which the Collective Agreement was negotiated.
- (b) In the event of a pending technological change, the Company shall advise the Union of such change at the earliest opportunity.
- (c) Any employee having five (5) or more years of continuous service who is demoted as a direct consequence of technological change shall be eligible to receive relevant training as may be established by the Company in order to assist him to reduce the extent of any such demotion.
- (d) An employee who is terminated because of technological change shall be entitled to severance pay at the following rate:
- Less than 3 years service – 2 weeks;
- 3 years or more of service – 1 week per year;
- Maximum severance – 8 weeks
- (e) It is understood that unresolved disputes arising out of technological change, shall be settled using the normal grievance and arbitration procedures specified in this Agreement.

ARTICLE 16 – DURATION OF AGREEMENT

16.01 This Agreement shall be effective from January 1, 2008 to and including December 31, 2010, and thereafter from year to year unless notice of intent to terminate or amend the Agreement at the expiration of any yearly period is given by either Party to the other within the four (4) month period prior to the termination date.

16.02 Within five (5) days after receipt of any notice given pursuant to this Article by either Party, the Parties to this Agreement will commence negotiations. During the period of negotiations this Agreement will continue in full force and effect.

16.03 By agreement of the Parties hereto, the provisions of Sub-sections 2 and 3 of Section 50 of the Labour Code of British Columbia are specifically excluded.

Where the masculine gender is given in this Agreement, it shall equally apply to the feminine.

IN WITNESS WHEREOF the Parties hereto have executed this Agreement this _____ day of _____, 2008.

KENNAMETAL LTD.

UNITED STEELWORKERS

**SIGNED
ON BEHALF OF THE COMPANY**

**SIGNED
ON BEHALF OF LOCAL UNION 2952**

Johnny L. Martin

Randy Gatzka

Tom M. Nawosad

Hans Raagner

Patti J. Richter

Brian Semple

Brenda Shaffer

Michael Schroeder

APPENDIX "A"

WAGE SCHEDULE

- (a) If any new job classifications are established or if there is a significant change in the job content of any job classification(s) set forth in this Wage Schedule, or if any job classification(s) have been overlooked in this Wage Schedule, the Parties agree to negotiate a rate for the job(s) in question.

<u>E F F E C T I V E</u>	<u>1 Jan 2008</u> 2.5%	<u>1 Jan 2009</u> 2.75%	<u>1Jan 2010</u> 2.75%
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GRADE GROUP 9T

Tool and Die Maker, Journeyman
Maintenance Electrician, Journeyman - Electrical Permit
Electronics Technologist

	\$28.80	\$29.59	\$30.40
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GRADE GROUP 8T

Machinist, Journeyman
Maintenance Electrician, Journeyman
Maintenance Millwright, Journeyman
Electronics Technologist
Quality Technician
Maintenance Mechanical Technologist

	\$28.33	\$29.11	\$29.91
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GRADE GROUP 8

CNC Programmer/Operator

	\$26.12	\$26.84	\$27.58
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<u>E F F E C T I V E</u>	<u>1 Jan 2008</u> 2.5%	<u>1 Jan 2009</u> 2.75%	<u>1Jan 2010</u> 2.75%
--------------------------	---------------------------	----------------------------	---------------------------

GRADE GROUP 7

Quality Technician			
Furnace Operator/Inspector			
CNC Preform Operator			
CNC Grinder Operator			
CNC Press Operator			
Materials Attendant	\$24.88	\$25.56	\$26.26

GRADE GROUP 6

Powder Processor			
Preform Operator			
Press Operator			
Furnace Operator/Inspector			
Grinder Operator			
Shipper			
Quality Technician			
	\$23.60	\$24.25	\$24.92

GRADE GROUP 5

Powder Processor			
Preform Operator			
Press Operator			
Furnace Operator/Inspector			
Grinder Operator			
Facilities/EHS			
Shipper			
Quality Technician			
	\$22.73	\$23.36	\$24.00

GRADE GROUP 4

Powder Processor			
Preform Operator			
Press Operator			
Furnace Operator/Inspector			
Grinder Operator			
Facilities/EHS			
Shipper			
	\$21.81	\$22.41	\$23.03

E F F E C T I V E**1 Jan 2008**
2.5%**1 Jan 2009**
2.75%**1Jan 2010**
2.75%**GRADE GROUP 3**Powder Processor
Preform Operator
Press Operator
Furnace Operator/Inspector
Grinder Operator
Facilities Attendant
Shipper

\$21.16

\$21.74

\$22.34

GRADE GROUP 2Preform Operator
Press Operator
Furnace Operator/Inspector
Grinder Operator
Facilities Attendant
Shipper

\$19.75

\$20.29

\$20.85

GRADE GROUP 1

\$18.72

\$19.23

\$19.76

N.B.: To be eligible for the "T" rate in Grades 8 and 9, an employee must be certified in the appropriate trade or technical discipline. In addition, employees working in the certifiable trade or technical discipline at the date of ratification will also be eligible.

Out of Line Differential:

Employees who are receiving an Out of Line Differential will be frozen until such time as the negotiated rate for their Grade Group is equal to or higher than the employee's rate.

TEAM LEADER

Any employee acting as Team Leader shall receive a premium per hour, in addition to his or her regular rate, as follows:

\$1.00 effective January 1, 2008.

SHIFT DIFFERENTIAL

Any employee working on the second shift referred to in Article 5 shall receive a premium per hour, in addition to his or her regular rate, as follows:

\$0.65 effective January 1, 2008.

Any employee working on the third shift referred to in Article 5 shall receive a premium per hour, in addition to his or her regular rate, as follows:

\$0.95 effective January 1, 2009.

FIRST AID

Employees holding an Occupational First Aid (OFA) Certificate, shall receive a premium per hour, in addition to his or her regular rate, as follows:

\$0.50 effective January 1, 2005, for those employees achieving Level one certification,

\$0.85 effective January 1, 2005, for those employees achieving Level two or Level three certification.

The number of employees eligible will be not less than the minimum required and not more than eight (8) Occupational First Aid employees.