

2008 - 2012

Collective Agreement

Between

CHAPARRAL INDUSTRIES (86) INC.

and

USW LOCAL 1-423

United Steel, Paper and Forestry, Rubber, Manufacturing, Energy,

Allied Industrial and Service Workers international Union

2040 Rutland Road North, Kelowna B.C., V1X 4Z6

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MASTER AGREEMENT

THIS AGREEMENT entered into this 24th day of October 2008

BETWEEN: **CHAPARRAL INDUSTRIES (86) INC.**

Hereinafter known as the "COMPANY" of the FIRST PART

AND: **USW LOCAL 1-423**

Hereinafter known as the "UNION" of the SECOND PART

PREAMBLE:

1. WHEREAS it is the intent and the purpose of the Parties hereto that this Agreement will promote and improve industrial and economic relationships between the employees and the Company, and to set forth herein the basic Agreement covering rates of pay, hours of work, and conditions of employment to be observed between the Parties hereto, AND
2. WHEREAS the Company accepts responsibility to observe each and all provisions and conditions of the Agreement, and to promote orderly and peaceful relations with the employees, AND
3. WHEREAS the Union accepts responsibility to observe each and all provisions and conditions of the Agreement, and to promote orderly and peaceful relations with the Company.

NOW THEREFORE the Parties hereto mutually agree as follows:

ARTICLE I - BARGAINING AGENCY

Section 1:

- a) Chaparral Industries (86) Inc. recognizes the Union as the sole Collective Bargaining agency of the employees of the Company at 3075 Sexsmith Road, Kelowna, B.C. V1X 7T1 as set out in the certificate of bargaining authority.
- b) When a dispute arises as to whether or not a person is an employee within the bargaining unit, it shall be subject to grievance procedure as provided for in Article XIV, Step 3 and, in the event of failure to reach a satisfactory settlement, it shall be dealt with as provided for in Section 139 (a) of the BC. Labour Code.

Section 2:

The Company agrees that the Bargaining Authority of the Union shall not be impaired during the term of this new Collective Agreement. The Company agrees that the only Certification they will recognize during the term of this new Agreement is that of the Union, unless ordered by due process of law to recognize some other Bargaining Authority.

ARTICLE II - EMPLOYERS' RIGHTS

Section 1:

The Management of the operation and the direction and promotion of the Employees are vested exclusively in the Management, including the following:

- a) To maintain order, discipline and efficiency.
- b) To hire, discharge for cause, to promote, to assign and to re-assign employees to jobs, to transfer employees from job to job and to increase or decrease the working force, provided, however, that this will not be used for the purpose of discrimination against employees.

It is further agreed the Company shall have the right to select its Employees and to discipline or discharge them for proper cause.

Section 2:

The Employer agrees not to enter into any agreement or contract with any bargaining unit member individually or collectively which in any way conflicts with the terms and provisions of this Agreement. Any such agreement will be null and void if such conflict is found to exist.

ARTICLE III - UNION SECURITY

Section 1:

- (a) The Company will co-operate with the Union in obtaining and retaining as members the Employees as defined in this Agreement and to this end will present to new Employees and to all Supervisors and Foremen the Policy herein expressed.
- (b) The shop steward will be provided with not less than 15 minutes for the purposes of participating in the general orientation of new employees during working hours.

Section 2:

All new Employees shall, within thirty (30) calendar days after the execution of this Agreement, or thirty (30) calendar days after entering employment, whichever date last occurs, become members of the Union, and maintain membership therein throughout the term of this Agreement, as a condition of continued employment.

Section 3:

Any Employee who is a member in good standing, or is re-instated as a Member of the Union shall as a condition of continued employment maintain such membership in good standing throughout the term of this Agreement.

Section 4:

If an Employee fails to pay union dues within seven (7) days after the Company and the Employee has been notified by the Union of the Employee's delinquency such employee shall be discharged forthwith by the Company.

Section 5:

- a) No Employee shall be subject to any penalties against their application for membership or reinstatement, except as may be provided for in the USW Constitution and in accordance with the By-Laws of the Local Union.
- b) Any Employee who applies to join the Union pursuant to the provision herein and whose application is rejected by the Union, shall not be subject to discharge from employment.

Section 6:

- a) The Company shall require all new Employees at the time of hiring to execute the following assignment of Wages in duplicate, the forms to be supplied by the Union, and forwarded to the Union, not later than ten (10) calendar days, from the date of hiring.

USW-CANADA
CHECK-OFF

Date _____ 20__.

Name of Employer
Name of Employee

Operation Address Phone

Social Insurance Number _____

Are you a member of the USW ? _____

In what Operation were you last employed ? _____ Local No. _____

I HEREBY AUTHORIZE AND INSTRUCT YOU TO DEDUCT FROM MY WAGES AND REMIT TO LOCAL 1- _____ THE FOLLOWING IN PAYMENT OF THE AMOUNTS SET OUT BELOW:

1. Union Initiation fees in the amount of \$ _____
2. Union Back Dues in the amount of \$ _____
3. Union dues \$ _____ per month. Commencing _____ 2 _____.
(month)
4. Union assessments in the amount and at the time stated in notice received by you from the Local Union.
Clock No. _____

- b) This assignment in the case of Employees already members of this Union shall be effective immediately, and for those Employees not previously members of the Union, it shall become effective thirty (30) calendar days from the date of execution.

- c) The Company shall remit the dues deducted pursuant to such assignment (until and unless said assignment is revoked by the Employee) to the Local Union named therein not less often than once each month, with a written statement of names of the Employees for whom the deductions were made and the amount of each deduction.

Section 7:

The Company shall furnish the Union with the Social Insurance Number of each Employee on its payroll on the first occasion when dues are forwarded to the Union after the execution of this Agreement or after the Employee enters the employment of the Company, whichever date last occurs.

ARTICLE IV - COMMITTEES

Section 1:

For the purpose of this Agreement, when the word "committee" is used, it shall mean shop committee, members of which are elected by the members of the Union.

Section 2:

The Committee shall consist of not less than two (2) employees on a one shift basis or three (3) employees on a two shift basis who have completed probationary period of employment with the Company who are members of the Union and they shall be selected, wherever possible on a departmental basis.

Section 3:

The Union, will, within sixty (60) days from the date of this Agreement, notify the Company in writing of the members on the committee. The Union or Committee will inform the Company in writing when any member change takes place on the committee. No member of the Committee will be recognized by the Company unless the above procedure is carried out.

ARTICLE V - WAGES

Section 1:

The wage scale attached hereto, Supplement No. 1, is approved by both Parties, and may, subject to the mutual consent of both Parties, be revised once annually.

Section 2: Application of Shift Premium

- a) The recognized Day Shift shall be considered the First Shift. Hours worked outside the recognized Day Shift will be regarded as Second and Third Shifts. Premium rate of fifty (50) cents per hour will be for Second and Third Shifts, or hours worked outside the recognized Day Shift.
- b) In the event a Day Shift employee commences work prior to the starting time of the First Shift, he/she shall receive the Shift Premium of fifty (50) Cents per hour up to the starting time of the First Shift wherein he/she shall revert to the regular rate.

- c) A Day Shift employee working in excess of his/her regular shift will be paid time and one-half without the differential for all time worked.
- d) Employees on Second and Third Shifts working in excess of their regular shifts shall receive rate and one-half times the regular wage for all time worked plus the applicable shift premium.
- e) In the event an employee works a split shift, he/she will receive the appropriate shift premium for all hours worked outside the First Shift (Day Shift).

ARTICLE VI - PAY DAYS

The Company will pay wages in accordance with Provincial Regulations and furnish each Employee with an itemized statement with each pay cheque of earnings and deductions. The Company shall provide for Pay Days every Second (2nd) Friday, prior to the completion of an Employee's regular shift.

ARTICLE VII - HOURS OF WORK

Section 1:

- a) The regular hours of work in the operation shall be eight (8) hours per day and forty (40) hours per week with rate and one-half for any hours worked over eight (8) hours per day and forty (40) hours per week. Where an employee's regular shift is extended over ten (10) hours he/she will receive double time for all hours worked over the ten (10) hours. Employees shall be paid rate and one-half for Saturday and double time for Sunday regardless of the number of hours worked during the week for all time worked

For the purpose of this Section a regular work week is defined on a Monday to Friday basis.

- b) If a Statutory Holiday occurs during the work week, the Employees shall only be required to work on Saturday and/or Sunday for the time lost due to the Statutory Holiday by mutual consent. For such work the Employee/s shall be paid double time.
- c) Casual labour employed on Saturday and/or Sunday will receive their regular hourly rate for all time worked.

Section 2: Shift Operations

- a) The Employer shall have the right to operate his plant or any part thereof on a three-shift basis and all Employees working under this arrangement shall receive eight (8) hours pay upon completion of the full hours established as their regular shift.

For the purpose of this Section the shifts are defined as follows:

First Shift - Day Shift - Starting time 7:00 a.m., lunch break 11:00 a.m. to 11:30 a.m., end of shift 3:30 p.m.

Hours of work for day shift shall be eight (8) hours per day with half hour lunch period.

Second Shift - Afternoon Shift - Eight (8) hour shift with a half hour lunch period.

Third Shift - Graveyard Shift – Eight (8) hours per day with half hour lunch period.

- b) It is agreed that Clause (a) above shall only apply to those Employees actually working on a three-shift basis.
- c) The Employer shall have the right to determine the number of shifts operated in any unit or department of the operation provided the shifts conform with the shift provisions as defined above (first shift, second shift, third shift).
- d) Where less than three (3) shifts are worked, Clause (a) above shall not apply.
- e) Where more than one shift is working, the shifts shall alternate every two (2) weeks.
- f) Lunch periods to be midway between shifts and are to be taken within a one-half (1/2) hour period either side of the lunch period.

Section 3:

The foregoing provisions of this Article shall not be construed as guaranteeing to any Employee any number of hours of work per day or per week.

Section 4:

- a) It is agreed between the Parties that if three (3) hours or less are necessary after midnight Friday, or after midnight preceding a Statutory Holiday, to complete the shift which commenced work on Friday afternoon, or the afternoon preceding the Statutory Holiday, time worked after midnight to complete the particular shift will be paid at straight time.
- b) Notwithstanding anything to the contrary contained in this Agreement, it is further agreed that in all three shift operations, the time established as the regular starting time of the midnight shift following a Statutory Holiday shall not be changed by reason of the Statutory Holiday.

Section 5:

- a) All Employees in manufacturing plants shall be entitled to two (2) fifteen (15) minute rest periods during each regular shift, providing always that the Company shall have the right to use relief Employees in implementing this provision.
- b) Where an Employee is requested to work more than two (2) hours overtime after his/her regular shift, he/she shall be granted an additional fifteen (15) minutes rest period prior to the start of the overtime shift, with pay.

Section 6: Cleanup Time

All Employees to be allowed a minimum of five (5) minutes for personal cleanup and factory cleanup, with pay, prior to completing their shift.

ARTICLE VIII - CALL TIME

An Employee reporting for work on the call of the Company, shall be paid his/her regular rate of pay for the entire period spent at the place of work in response to the call, with a minimum in any one day of:

- a) Two hours pay at the Employee's regular rate except when the Employee's condition is such that he/she is not competent to perform his/her duties or he/she has failed to comply with the accident prevention regulations of the Workers' Compensation Board: and
- b) If the Employee commences work, four hours pay at his/her regular rate, except where his/her work is suspended because of inclement weather or other reasons completely beyond the control of the Company. If the employee requests to leave work prior to the completion of the four hours, they shall be paid for the actual time worked.

After signing of this Agreement, the Parties hereby agree to work out a mutually satisfactory Agreement determining the method by which the Employee will be notified, canceling the call for work.

ARTICLE IX - SENIORITY

Section 1:

- a) The Company will recognize the principle of shop seniority, competency considered. The Company shall have the right to select its employees and to discipline or discharge them for proper cause.
- b) The selection and promotion of supervisory officials shall be entirely a matter for the Company's decision; but in making the selection, length of continuous service shall be given due consideration.

Section 2:

- a) Employees seniority will be based on a shop basis, and its application will be governed by Supplement No. 2 of this Agreement identified as the Application of Seniority and Job Posting.
- b) The procedure in (a) above will not replace or interfere with the normal Application of Seniority and Job Posting.

Section 3:

It is mutually agreed that all new employees are hired on probation; the probationary period to be as

follows: An Employee must be on the payroll a total of sixty (60) working days to acquire seniority. During this sixty (60) working days on the payroll, an employee is considered to be a temporary worker and no seniority rights shall be recognized. Upon completion of sixty (60) working days on the payroll, they shall be regarded as a regular Employee and shall then be entitled to seniority dating from the day on which they entered the Company's employ.

- (a) The Union and Company will determine a mutually satisfactory process for determining positions on the seniority list for same day hires.

Section 4:

It is mutually agreed that when hiring new Employees, consideration for preference may, subject to the same conditions as in Section 1, be given to those Employees of the Company having had previous seniority and who have application on file.

Section 5:

- a) In the event of a reduction of the forces, the last person hired in the shop shall be the first released subject to the competency of the person involved and the provisions of Section 1.
- b) Where a reduction of forces is caused by emergency conditions, the application of seniority as agreed to under Section 2 may be postponed for such periods as may be necessary, but not exceeding three (3) working days. If the Company decides to exercise its rights under this provision, it shall notify the Committee as soon as possible.
- c) The Company will provide adequate training to ensure that senior Employees are retained over junior Employees.
- d) The Company will provide one week of notice of lay-off.

Section 6:

It is agreed that upon request of the Union a list will be supplied by the Company setting out the name and starting date with the Company of each regular Employee. However, such request shall not be granted more than twice each yearly period January 1st to December 31st. The Company will advise the Union once each month of changes to the said list.

Section 7:

- a) It is hereby agreed that, when rehiring, all Employees shall be notified in the following manner:
 - i) Delivery of notice either orally or by letter by a Company representative.
 - ii) Local or long-distance telephone communication
 - iii) Registered letter or telegram.

In the case of (i) such oral notice shall be confirmed by a written notice showing date delivered and date notice given and time the Employee is to return to work. This

procedure will only be used in cases where a lay-off exceeds five (5) working days.

In the case of (ii) such telephone communication shall be confirmed the same day by registered letter and shall set out the date and time the Employee is to return to work.

In the case of (iii) which shall be used where it is impossible to use (a) or (b) above, a period of up to seven (7) days within which the Employee is to return to work will be allowed, provided the Employee replies within ninety-six (96) hours of the sending of the letter or telegram in the affirmative.

- b) The Employee must reply to the call to work within ninety-six (96) hours of the sending of the call to work as in (1) and appear for work at the specified date.
- c) All recalls shall be in accordance with the Employee's seniority rights.
- d) It is agreed that all Employees shall, upon returning to employment within the required number of days of being notified by the Company, retain all seniority rights.
- e) It shall be the Employee's responsibility to keep the Company informed of his/her address and telephone number during lay-off.

Section 8:

Any Employee who is absent without leave for a period of more than three (3) consecutive working days, who cannot show just cause for such absence, shall forfeit all seniority rights. This shall not interfere with the Company's right to discharge for proper cause.

Section 9:

Employees who transfer out of the bargaining unit to a Supervisory position may only return to the bargaining unit within the first six (6) months and retain the seniority he/she had on the date of departure; thereafter, a supervisory worker returning to the bargaining unit will do so as a new employee.

Section 10:

It is agreed between the Parties that seniority during lay-offs shall be retained on the following basis:

- a) Employees with less than one (1) year's service shall retain their seniority for a period of eight (8) months.
- b) Employees with one (1) or more year's service shall retain their seniority for one (1) year, plus one (1) additional month for each year after one (1) year of service, up to an additional six (6) months.

ARTICLE X - LEAVE OF ABSENCE

Section 1:

The Company will grant leave of absence to Employees suffering injury or illness for a period up to twelve (12) calendar months, subject to a medical certificate, if requested by the Employer. The Employee shall report or have cause to have reported to the Company the injury or illness which requires his absence from the Company as soon as may be reasonably possible.

Section 2:

Any Employee desiring leave of absence other than provided for in Sections 1 and 3 of this Article, must obtain same in writing from the Company, such leave of absence will be at the discretion of the Company. Leave of Absence requests that are not an emergency, illness, injury or Union Business, will be confirmed within two (2) weeks.

Section 3:

- a) The Company will grant leave of absence to Employees who are appointed or elected to Union position for a period up to and including two (2) years. Further leave of absence may be granted by mutual consent. The Employee who obtains this leave of absence shall return to his Company within thirty (30) calendar days after the completion of his/her term of employment with the Union. The Company shall not be required to grant such leave of absence when the number of persons on leave under this Section exceeds one (1) in number.
- b) The Company will grant leave of absence to Employees who are elected as representatives to attend Union meetings and Union conventions or as members of any negotiating committee of the IWA-Canada in order that they may carry out their duties on behalf of the Union. The Company shall not be required to grant such leave when the number of Employees on leave, or to be on leave, at any one time under this Section, exceeds two in number; provided that the Employer will grant leave to more than two Employees where, in its opinion, it will not have the effect of interfering with the normal flow of production.

In order for the Employer to replace the Employee with a competent substitute, it is agreed that before the Employee receives the leave of absence set forth in Clauses (a) or (b) above, the Employer shall be given notice in writing; in the case of (a) twenty (20) calendar days and in the case of (b) five (5) calendar days.

Section 4:

- a) Any leave of absence granted to an Employee for reasons other than those set out in Sections 1 and 3, a copy of such leave shall be forwarded to the Local Union.
- b) The Company shall not be obligated to pay for any time lost under Sections 1, 2 or 3 of this Article.

Section 5:

Employees on leave of absence and/or illness for an indeterminate period or Employees who wish to return to work prior to the expiration date of a leave of absence for a fixed period, shall give the Employer notice of intention to return to work in the following manner:

- a) An Employee reporting for work shall give notice during the preceding working day.
- b) An Employee reporting for work on the Second or Third Shifts shall give notice no later than noon of the Day Shift immediately preceding his/her return to work.

Section 6:

If an employee suffers a death in the immediate family, he/she shall be granted compassionate leave of absence with full pay for three (3) days. Immediate family means the Employees' spouse, common law spouse, children, mother, father, sister, brother, mother-in-law, father-in-law, step-parents, grandparents, grandchildren, step-children, daughter-in-law, son-in-law, brother-in-law and sister-in-law and grandparents-in-law.

Section 7:

- a) Any regular full-time Employee who is required to perform Jury Duty, Coroner's Duty or as a Crown Witness or Coroner's Witness on a day on which he/she would normally have worked will be reimbursed by the Company for the difference between the pay received for Jury Duty and his/her regular straight time hourly rate of pay for his/her regularly scheduled hours of work. It is understood that such reimbursement shall not be for hours in excess of eight (8) per day or forty (40) per week, less statutory pay received for Jury Duty. The Employee will be required to furnish proof of Jury Service and Jury Duty pay received.
- b) Hours paid under (a) above will be counted as hours worked for the purpose of qualifying for vacations and for recognized paid holidays but will not be counted as hours worked for the purpose of computing overtime.

ARTICLE XI - VACATIONS WITH PAY

Section 1:

For all employees the following shall apply:

- a)
 - i) Employees with one (1) or more years service shall receive two (2) weeks vacations with pay based upon four percent (4%) of their earnings.
 - ii) Employees with three (3) or more years service shall receive three (3) weeks vacation with pay based upon six percent (6%) of their earnings.
 - iii) Employees with five (5) or more years of service shall receive four (4) weeks of vacation based upon eight percent (8%) of their earnings.
 - iv) Employees with seven (7) or more years service shall receive four (4) weeks vacation with pay based upon nine percent (9%) of their earnings.
 - v) Employees with eleven (11) or more years service shall receive five (5) weeks vacation with pay based on eleven percent (11%) of their earnings.
- b) Employees with less than one (1) years service who leave the Company for any reasons

whatsoever shall receive vacation pay at five percent (5%) of their accumulated earnings.

- c) Employees who leave the Company for any reason whatsoever shall receive vacation pay based on their yearly earnings as specified in (a), (i), (ii), (iii), (iv) and (v) above.

Section 2:

The vacation anniversary year shall be from March 15 to the nearest pay period of March 14 the following year.

Section 3:

- a) Vacations as provided for in Section 1 shall be taken at such time as mutually agreed upon by the Union Committee and the Company when quantity and regularity of production shall not be impaired. Such vacations to be taken in periods of one, two, three, four, or five weeks, as requested by the Employee and subsequently as agreed by the Union Committee and the Company.
- b) The Company will pay vacation pay on each pay cheque at the Employee's percentage rate on the earnings for the pay period or at the employee's request, a lump sum payment on the first pay period following January 1st of each year.

- c) **VACATION PROCEDURE**

- i) As soon as possible after March 15 of each year the Company will issue a list of Employees who are eligible for vacation. A notice will be posted on the Plant Notice Board/s that the list is ready and Employees are to contact their foreman to register the date or dates of their requested vacation/s, in order of preference and in accordance with Article XI, Section 3, of the Collective Agreement.
- ii) Where a vacation request is received prior to April 30th each year, and there is a conflict with another Employees request/s and no satisfactory arrangement can be mutually agreed upon, then the principle of seniority will apply.
- iii) Where a vacation request is received after April 30th each year, and there is a conflict with another Employees request/s and no satisfactory arrangement can be mutually agreed upon, then the principle of "first come - first served" shall apply.
- iv) An Employee who is not able to have his/her vacation request confirmed under the above procedures due to extenuating circumstances, and requires early confirmation of his/her vacation request shall notify the Company and the Plant Committee of the requested date/s and the reason for the request. Should the Company and the Plant Committee mutually agree to the Employee/s request, they may waive the above provisions and confirm the Employee/s requested vacation period.
- v) Vacation requests will be confirmed by the Company within two (2) weeks of the vacation request being submitted.

Section 4:

The following shall be considered as days actually worked for determining vacations with pay for an Employee after one (1) continuous year of employment:

- a) Absence on Workers' Compensation up to a period of one (1) year provided the Employee returns to his/her employment.
- b) Absence due to illness up to a period of one (1) year provided that the Employee returns to his/her employment. The Employer shall have the right to require a certificate from a qualified medical practitioner.
- e) Absence due to bereavement leaves in accordance with the terms and conditions of Article X, Section 6.
- f) Absence due to time served on jury duty in accordance with the terms and conditions of Article X, Section 7.
- g) Any other absence duly approved by the Employer in writing shall be credited towards entitlement for annual vacation, but time spent on such leave of absence shall not be counted in computing vacation pay.

Section 5:

Employment Standards Act - Part 4 - Annual Vacation of the Employment Standards Act, S.B.C., 1980, c. 10, and amendments thereto, except where varied or modified by the provisions herein, shall become part of this Agreement.

ARTICLE XII - STATUTORY HOLIDAYS

Section 1:

- a) All Employees who work on New Years Day, Good Friday, Empire Day, Dominion Day, Labour Day, Thanksgiving Day, Remembrance Day, Christmas Day, Boxing Day, B.C. Day and any other day formally designated or declared as a general holiday and/or public holiday by the Federal or Provincial Governments, will be paid double time for all hours so worked.
- b) In the event that one of the above Statutory Holidays falls on a Sunday, the following Monday will be observed as the Statutory Holiday.
- c) In the event a Statutory Holiday falls on a Saturday, the preceding Friday or following Monday will be observed as the holiday, as agreed by the Company and Union Committee

Section 2:

- a) All Employees who qualify for the following holidays, that is: New Years Day, Good Friday, Empire Day, Dominion Day, Labour Day, Thanksgiving Day, Remembrance Day, Christmas Day, Boxing Day, B.C. Day and any other day formally designated or declared as a general holiday and/or public holiday by the Federal or Provincial Governments, under the

conditions set out below, shall be paid for the holiday at his/her regular job rate of pay for his/her regular work schedule. It is agreed that the hours so paid for the Statutory Holiday will not be included in the weekly work schedule. If the holiday falls on a Sunday, the following Monday shall be observed as a holiday.

- b) An Employee working on a paid holiday shall be paid in addition to his/her holiday pay, double time for any hours worked on a shift designated as the "holiday shift".
- c) An Employee to qualify for holiday pay, must have been on the payroll thirty (30) calendar days immediately preceding the holiday and must have worked his/her last regularly scheduled work day before, and his/her regularly scheduled work day after the holidays, unless his/her absence is due to illness or compensable occupational injury which occurred within six (6) months of the holiday or the Employee is on authorized leave of absence.
- d) In the case of illness or injury the Employer shall have the right to request a certificate from a qualified medical practitioner. Where the Company requests an Employee to obtain a doctor's certificate, the Employee will be reimbursed for any cost involved.
- e) In the event that a Statutory Holiday falls on a Tuesday, Wednesday, Thursday and where the Company and Plant Committee mutually agree, the said holiday may be observed the preceding Monday or the following Friday respectfully.
- f) Employees while on leave of absence under Article X, Section 3 (a), shall not qualify for paid Statutory Holiday.

ARTICLE XIII - SAFETY AND HEALTH

Section 1:

- a) The Company and Employees will co-operate to assure safe working methods and conditions and devise plans for the furtherance of safety measures. Equipment and devices mutually agreed upon shall be provided by the Company.
- b) In the event an Employee is injured on the job and as a result of his/her injury is sent home or to the doctor the Employee will be paid at his/her regular job rate for the regular hours of his/her regular shift.
- c) The Company agrees to pay first aid course fees for those Employees attending and passing the First Aid Course. Upon the successful completion of the First Aid Course, the Company will designate the First Aid Attendance in line with seniority.

ARTICLE XIV - GRIEVANCE PROCEDURE

Section 1:

The Company and the Union mutually agree that, when a grievance arises in the plant coming under the terms of this Agreement, it shall be dealt with immediately with the individual/s and the Shop Steward, in the following manner:

Step 1: That individual Employee, with or without a Job Steward shall first take up the matter with the foreman in charge of the work within five (5) working days.

Step 2: If a satisfactory settlement is not then reached, it shall be reduced to writing by both Parties, then the same Employee and the Committee shall take up the grievance with the Superintendent or the Personnel Officer, or both, as designated by the Company. If desired, the Union Business Agent shall accompany the Committee.

Step 3: If the grievance is not then satisfactorily resolved, it shall be referred to an authorized representative of the Union and the Management.

Step 4: If a satisfactory settlement is not then reached, it shall be dealt with by Arbitration, hereinafter provided.

Section 2: If a grievance has not advanced to the next stage under Step 2, 3, or 4 within five (5) working days after completion of the preceding stage, then the grievance shall be deemed to be abandoned, and all rights or recourse to the grievance procedure shall be at an end. Where the Union is not able to observe this time limit by reason of the absence of the aggrieved Employee or the Committee from the operation the said time limit shall not apply. The Union shall be bound to proceed in such case as quickly as may be reasonably possible.

ARTICLE XV - ARBITRATION

Section 1:

- a) In the case of a dispute arising regarding the application, operation or any alleged violation of this Agreement, which the Parties are unable to settle between themselves as set out in Article XIV, the matter shall be determined by arbitration in the following manner:

Either Party may notify the other Party in writing, by registered mail, of the question or questions to be arbitrated and the name and address of its chosen representative for the Arbitration Board. After receiving such notice and statement, the other Party shall, within five (5) days, appoint an Arbitrator and give notice in writing of such appointment and the name and address of its Arbitrator. If the two Arbitrators appointed by the Parties fail to agree upon a Chairman within five (5) days, they, or either one of them, shall forthwith request the Industrial Relations Council of British Columbia to appoint a Chairman.

- b) The decision of the Arbitration Board shall be by majority vote and all decisions which have been referred to arbitration will be final and binding upon the Parties of the First and Second Parts.
- c) If any Arbitration Board finds that an Employee has been unjustly suspended or discharged such Employee shall be reinstated with all his/her rights and privileges preserved under the terms of this Agreement. The Arbitration Board shall further make the determination of the amount of lost pay, if any, to be paid to the Employee.

Section 2:

The Parties of the First and Second Parts will each bear the expense and charges of its representatives on any Arbitration Board, and shall bear in equal proportions the expenses and allowance of the Chairman or Sole Arbitrator, as the case may be and the stenographic and secretarial expense, and rent.

Section 3:

Any Arbitration to be held hereunder shall be at such place as may be decided by the Board.

ARTICLE XVI - HEALTH AND WELFARE

It is agreed that a Health and Welfare Plan be instituted to provide the following benefits:

Section 1:

FOR EMPLOYEES HIRED BEFORE JUNE 1, 2004, THE FOLLOWING PROVISION SHALL APPLY:

- a) Weekly Indemnity benefits equivalent to Unemployment Insurance, payable for a period of 26 weeks, to be paid commencing on the first day of accident and the fourth day of illness.
- b) Life Insurance coverage in the amount of \$50,000.00 plus \$50,000.00 Accidental Death and Dismemberment coverage on each employee plus \$10,000 on employees spouse and \$5,000 on each child.
- c) B.C. Medical Insurance Plan.
- d) Extended Health Benefit coverage.
- e) i) Employees shall be eligible to receive Medical and Extended Health Benefits sixty

(60) working days after entering employment. Contributions by the Company on behalf of new Employees shall commence the first of the month after sixty (60) working days from the date the Employee first entered the Company's employ.

- ii) Eligibility for Weekly Indemnity and Insurance coverage shall be the first of the month following completion of the probationary period.
- f) A Dental Plan covering all Employees with one (1) or more years seniority and based on the following general principles:
 - Basic Dental Services with the Plan paying 80% of the approved schedule of fees
 - Prosthetics, crowns and bridges with the Plan paying 50% of the approved schedule of fees.
 - Orthodontic coverage with the Plan paying 50% of the approved schedule of fees (Lifetime maximum \$2500.00).
- g) A vision care benefit with a limit of two hundred and fifty dollars (\$250.00) per employee or dependant in any twenty four (24) month period for employees with one (1) or more year's seniority. Employees will be covered by Health and Welfare provisions up to four (4) months, Dental coverage up to two (2) months, beyond the current month of lay-off. Employees who are absent due to sickness or injury will be covered up to six (6) months beyond the month the Employee became sick or injured.
- h) Participation in the Health and Welfare Plan to be a condition of employment.
- i) Premium cost of the Health and Welfare Plan to be fully paid by the Company.

Section 2:

FOR EMPLOYEES HIRED AFTER JUNE 1, 2004 THESE FOLLOWING PROVISIONS APPLY:

- a) New Employees shall be eligible to receive B.C. Medical Insurance Plan and Employee and Family Life Insurance and AD&D upon completion of their probationary period. Contributions by the Company on behalf of the new Employees shall commence the first of the month after the completion of the sixty (60) working days probationary period.
- b) The remainder of the Employee Benefit Plan including Weekly Indemnity benefits, Dental Plan, Extended Health benefit coverage and Vision Care benefits will begin the month following completion of eighteen (18) months seniority.
- c) Employees, as they become eligible for the benefits, will be covered by Health and Welfare provisions up to four (4) months, Dental coverage up to two (2) months, beyond the current month of lay-off. Employees who are absent due to sickness or injury will be covered up to six (6) months beyond the month the Employee became sick or injured.
- d) Participation in the Health and Welfare Plan to be a condition of employment.
- e) Premium cost of the Health and Welfare Plan to be fully paid by the Company.

ARTICLE XVII - GENERAL PROVISIONS

Section 1:

Official Union representatives shall obtain access to the Company's operations for the purpose of this Agreement by permission from Management, subject to such terms and conditions as may be laid down by the Company. No request will be unreasonably denied.

Section 2: Strikes and Lockouts

- a) There shall be no strikes or lockouts by the Parties to this Agreement with respect to any matter arising out of the Agreement for which Arbitration is provided under the terms of the Agreement.
- b) The Parties to this Agreement expressly agreed that there will be no activity within the meaning of (a) above threatened, declared, authorized, counseled, aided or brought about on its part.
- c) In the event of a strike during the term of this Agreement, the Union will instruct its members and officers who may be involved to cease such activity and comply with the terms of this Agreement.

Section 3:

Where new machinery is installed that materially affects the conditions of work of the Employee concerned, or a new category is created, the Union will be notified and negotiations commenced to determine the wage rate to be paid to the employee affected, provided that the Company shall have the right to establish a rate to be paid until the regular job rate is agreed upon. Once a new rate has been established it shall be paid retroactive to the date of installation or creation of the new category.

Section 4:

Should overtime be necessary due to an agreed emergency condition, the Union will co-operate with the Employer in ensuring the continuation of operations.

Section 5:

It is further understood that no new upward or downward revision of rates will be established without mutual agreement with the Local Union.

Section 6:

It shall not be a violation of this Agreement or cause for dismissal of an Employee or Employees for refusing to cross a picket line that has not been declared illegal.

Section 7:

- a) The basic tool kit for production workers shall consist of hammer, 12' measuring tape, pencil, nail apron and shall be the Employees responsibility. The designated electrician will be required to have a standard electrical tool kit. Broken or worn out tapes will be replaced by the Company, but not more often than three in one year. All tools required by the Employee will be made available by the Company at wholesale prices to the Employees.
- b) Other tools which Employees may only have a sporadic use for will be supplied by the Company to the Employee(s). An agreeable procedure for use of Company tools to be agreed upon between Company and Union.
- c) It is further agreed that probationary workers under Article IX Section 3 will have their basic tool kit supplied by the Company at no cost. When the new Employee ceases to be a probationary Employee under this Section, he/she will have the option of purchasing the basic tool kit from the Company or providing his/her own basic kit.

Section 8:

Supervisors and/or foremen will not perform work that properly belongs to Employees in the bargaining unit, except in case of emergencies or instructing Employees. There may be occasions through injury or overflow of work where it may be necessary for foremen to work, however, it is understood this practice will not be abused.

Section 9:

Except as provided for under Section 9 above, all manufacturing and/or production work necessary to produce the Company's product on the Company property will be performed by members of the IWA-Canada, however, it is further agreed that the Company may, for legitimate economic reasons, contract out work that does not conflict with a regular Employee's wages, hours of work or working conditions. If the contemplated Sub-Contracting is of a major nature it will be discussed and agreed between the Company and the Union.

Section 10:

The Company will pay each Employee after one (1) year of service one hundred (\$100) dollars each January as a boot allowance with receipt..

Section 11:

The Company will supply rain gear for all those who are required to work outside in the elements.

Section 12:

Hours of work in the plant shall be posted on the Employee's bulletin board setting out the shift starting time and quitting time. Any change to the hours of work schedule will only be made after reasonable notice has been given to the Plant Committee and must be mutually agreed to between the Parties. Should the Company fail to reach an agreement and change the recognized shift of the crew or part thereof, those affected Employees shall receive time and one half for all hours worked on the first shift of the shift change.

Section 13:

The Company and the Plant Committee will meet each month to discuss any problems or suggestions that may arise in the daily operation of the Plant. The intent of these meetings is to resolve any problems and/or discuss suggestions that could contribute to the betterment of the Employee and the Employer. The Union Committee members will be paid by the Company for all time spent dealing with Union/Management issues on Company property.

Section 14:

- a) Warning slips will only be issued in the presence of a Union Shop Steward. Both parties are to acknowledge and sign that a warning slip has been issued.
- b) Warning slips will be issued based on items in the Collective Agreement and such Company rules and regulations that do not conflict with this agreement and/or are not a violation of an Employee's basic rights
- c) Warning slips shall be removed from an Employee's record after one (1) year has lapsed from date of issuance if no other infraction has taken place.
- d) An employee may request a shop steward to attend all meetings with the company where discipline may be involved or a result of. For example, investigatory meetings. The Company will make the employee aware of their rights.

Section 15:

The Company will provide a telephone in an area other than the foremen's office for Employee's personal phone calls. All personal calls shall be made on the employees' own time, including lunch and coffee breaks.

Section 16:

The Company will post a production schedule monthly.

Section 17:

The Company will provide heat in the plant to a minimum of 45 degrees Fahrenheit.

Section 18:

Once each calendar year employees will be given a "Employee Job Selection" form to review which jobs they want to be trained on.

Section 19:

- a) All new employees, once they have completed probation, will be allowed to bid on or will be appointed a job posting. Only one posting can be held by each person.
- b) When a job becomes available, the person(s) with that posting will be called for work as required and will remain on that job until it is complete.
- c) The designated First Aid Attendants will have top seniority until such time he/she is no longer required according to Workers Compensation Board requirements. They will act as a helper where required until their job posting becomes available.
- d) When there is enough work to call in all employees on the seniority list, the most junior people called can be utilized where needed. However, when there is enough work on their posted job, they will be placed on that job.
- e) In a case of emergency production deadline, the foreman may utilize any and all employees where required to meet that deadline. If work is required on a posted job during that time, the most senior posted person will remain on that job.
- f) The designated maintenance person will be called in only when there is enough maintenance work available outside their job posting and seniority.
- g) Maintenance, servicing and mill work are not posted jobs as they are only required occasionally.
- h) All employees will check off jobs they are willing to do outside their posted job. The list will be reviewed and revised on a yearly basis. This will be used to determine recall and lay-off.

ARTICLE XVIII - TECHNOLOGICAL CHANGE

Section 1:

Where the Employer introduces or intends to introduce a change through automation, mechanization and/or technological change that:

- a) Affects the terms and conditions or security of employment of Employees to whom this agreement applies; and
- b) Alters significantly the basis upon which the Collective Agreement was negotiated; the provisions of this clause shall apply. Any dispute arising in relation to the adjustment of a change or changes within the meaning of this Article shall be dealt with according to this

Article, and in the event that agreement is not reached the matter will be dealt with by the arbitration provisions of this Collective Agreement.

Section 2:

Where the Employer intends to introduce a change that would involve the termination of Employees, prior notice of the change will be given to the Union three (3) months in advance of the intended date of implementation of the change.

Section 3:

Where an Employee's job is eliminated by the introduction of change within the meaning of this Article, the Employer will endeavor to retrain, or transfer such Employee to another portion of its operation wherever possible, such elimination or transfer to be in accordance with the seniority provisions in this Agreement.

Section 4:

An Employee who is set back to a lower paid job because of circumstances set out in Section 1 above, shall receive his/her regular rate of pay at the time of setback for a period of three (3) months and for a further period of three (3) months the Employee shall be paid on an adjusted rate which will be midway between the rate of his/her regular job at the time of the setback and the rate of the new regular job. At the end of the six (6) month period the new job rate shall apply.

ARTICLE XIX - PLANT CLOSURE SEVERANCE PAY

Employees terminated by the employer because of permanent or partial plant closure, shall be entitled to severance pay equal to one (1) week of pay for each year of service to a maximum of eight (8) weeks.

ARTICLE XX - DURATION OF AGREEMENT

Section 1:

The Parties hereto mutually agree that this Agreement shall be effective from and after the 1st day of June, 2008 to midnight the 31st day of May, 2012 and thereafter from year to year unless written notice of contrary intention is given by either Party to this Agreement within four (4) months immediately preceding the date of the expiry of the Agreement. The notice required hereunder shall be validly and sufficiently served at the Head Office of the Party of the First Part, or at the Local Union Office, Party of the Second Part within the four (4) month period immediately preceding the expiry date of the Agreement. If no agreement is reached at the expiration of this Contract and negotiations are continued, the Agreement shall remain in force up to the time and agreement is reached or until negotiations are discontinued by either Party.

Section 2:

The Parties hereto agree that the operation of Section 50 (2) and 50 (3) of the B.C. Labour Relations Code are excluded from this Agreement.

USW LOCAL 1-423

CHAPARRAL INDUSTRIES (86) INC.

Signed this 24th day of October, 2008

SUPPLEMENT NO. 1 - WAGES

Between

CHAPARRAL INDUSTRIES (86) INC.

and

USW LOCAL 1-423

Effective Dates

	<u>6/1/2008</u>	<u>6/1/2009</u>	<u>6/1/2010</u>	<u>6/1/2011</u>
Probationary Worker All those employees who have not completed sixty (60) working days	<u>\$12.13</u>	<u>\$12.49</u>	<u>\$12.87</u>	<u>\$13.25</u>
Production Worker I Employees who have completed their probation period until (250) working days (61 – 250) working days	<u>\$15.90</u>	<u>\$16.38</u>	<u>\$16.87</u>	<u>\$17.37</u>
Production Worker II Employees who have worked more than 250 working days	<u>\$18.03</u>	<u>\$18.57</u>	<u>\$19.13</u>	<u>\$19.70</u>
Plant Trades Person Those employees fully qualified (Journeymen) and having the ability to do a variety of assignments on line in their departments	<u>\$20.77</u>	<u>\$21.39</u>	<u>\$22.03</u>	<u>\$22.70</u>

The time limit (250 working days) to advance from PW1 to PW2 only applies to employees hired after June 1, 2004 .

The company shall qualify (without prejudice) the competency of each worker to determine the wages/categories the individual will be placed in. If the employee performs the job duties with minimal supervision and within standard limits for time and quality as outlined in the “Employee Shop Selection” and their posted position, the company would consider a wage increase above Production Worker II. If the employee receives such an increase and job performance is not maintained, the increase will be reversed.

First Aid Attendants

The Company will cover lost wages for Designated First Aid Attendants for attending required first aid courses. Designated First Aid Attendants shall receive, in addition to their regular rate:

- Level 1 Certificate 50 ¢ per hour
- Level 2 Certificate 60 ¢ per hour
- Level 3 Certificate 70 ¢ per hour

The Company will setup a payroll deduction plan with Canada Savings Bonds RRSP in order for employees to make contributions before taxes.

USW LOCAL 1-423

CHAPARRAL INDUSTRIES (86) INC.

Signed this 24th day of October 2008.

**SUPPLEMENT NO. 2
MASTER AGREEMENT**

In Force Between

CHAPARRAL INDUSTRIES (86) INC.

and

USW LOCAL 1-423

PURPOSE:

In accordance with, and subject to, the provisions of Article IX, Section 2 of the Master Agreement in force between Chaparral Industries (86) Inc. and USW Local 1-423, C.L.C., and for the purpose of establishing an equitable and orderly manner in which to implement this Article, the following procedure is mutually agreed as the working basis.

I. SENIORITY

1. DEFINITION AND APPLICATION OF SENIORITY

The Definition of Seniority is the sum-total of continuous years, months, and days of an Employee's service. In its application, Seniority shall be the governing factor, competency considered, in deciding job entitlement.

II. JOB POSTING

1. JOB POSTING - WHERE WILL APPLY

All jobs, other than "probationary worker", upon becoming vacant, will be posted on a plant wide basis.

2. PROCEDURE FOR POSTING JOB VACANCIES

In posting vacant jobs, the following procedure will be followed:

- i) Bulletin Boards provided for the purpose will be supplied by the Company, and placed in such locations as may be mutually agreed on by the Company and the Plant Committee.
- ii) Upon a vacancy occurring, the Company will fill the vacancy until such time as the Posting Procedure as outlined in this Agreement is carried out.
- iii) Upon a vacancy occurring, the job will be posted on the Bulletin Board for a period of two (2) working days.
- iv) A copy of each Job Posting will be given the Plant Committee.

- v) Employees who wish to bid on the posted job shall make application to the Office of the Plant Superintendent on the form provided within the posting period set out in Paragraph (iii).
- vi) An Employee absent on approved leave of absence, lay-off, illness, or accident, at the time of Job Posting will be allowed to make application three (3) working days of his return but in no event later than fifteen (15) working days of the posting or vacancy.
- vii) The Company shall within two (2) working days of the closing off time of the particular Job Posting, notify the Plant Committee of its selection for the vacant job; and re-post the original Job Posting Notice on which is placed the name of the Employee who has been selected for trial on the vacant job. It shall remain posted for a period of two (2) working days.
- viii) An Employee selected for a job through Job Posting shall be allowed a trial period of twenty (20) working days. It is agreed that for good and sufficient cause, an Employee may voluntarily return or be sent back to his/her former job before expiration of this trial period set out herein; (provided in the latter instance, there is no discrimination, and ample training time and instruction on the job has been given by qualified personnel). Further, as long as the Employee returns to his/her former job within the trial period, he/she will not suffer the loss of any Seniority.
- ix) In the event that no one in the Plant makes application, within the limits of this Agreement, or if all the applicants fail to qualify, then Management may hire someone for the job.
- x) Should an Employee be confirmed in a job, and wishes to relinquish that job, other than through Job Posting, he/she shall revert to a base rate job until such time as a Job Posting vacancy occurs.
- xi) The Job Vacancy form for Posting shall contain the following information:
 - a) The name-description of the job.
 - b) The shift on which the job is open, i.e., First Shift, Second Shift, or Third Shift.
 - c) The hourly rate of pay.
 - d) The date and hour on which the notice was posted; and the date and hour on which the closing-off time for which applications will be received.
 - e) The person and place to which an Employee may apply for the vacancy.
 - f) A space provided to place the name of the Employee who has been selected to fill the vacancy.

3. PROMOTIONS

If any Employee consistently fails to take promotions without good cause, then Management and the Plant Committee will discuss the matter with a view to alleviating a future problem.

USW LOCAL 1-423

CHAPARRAL INDUSTRIES (86) INC.

Dated this 24^h day of October, 2008

LETTER OF UNDERSTANDING
BETWEEN
CHAPARRAL INDUSTRIES (86) INC.
and
USW LOCAL 1-423

ARTICLE XVII - GENERAL PROVISIONS - SECTION 10

Contracting out of specialized material applications.

It is agreed that the following procedures/applications be completed on the premises by qualified/specialized personnel.

- Flooring materials - lino, carpet, underlay, hardwood and ceramic tile.
- Drywall - taping and texturing only.
- Heating - duct work.
- Gas fitting.
- Electrical - security system.
- Painting - single section and Park Model walls, partitions, doors, trim.

USW LOCAL 1-423

CHAPARRAL INDUSTRIES (86) INC.

Dated this 24th day of October 2008