

COLLECTIVE AGREEMENT

BETWEEN:

JAMES WESTERN STAR STERLING LTD. (KELOWNA)

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS
LOCAL NO. 115

Date: October 1, 2008 to September 30, 2010

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THIS AGREEMENT made and entered into this _____ day of _____, 20____.

BETWEEN:

JAMES WESTERN STAR STERLING LTD.
No. 2 555 Adams Road
Kelowna, B. C. V1X 1K3

(hereinafter referred to as the "Employer")

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS
LOCAL 115
4333 Ledger Avenue
Burnaby, B. C. V5G 3T3

(hereinafter referred to as the "Union")

CLAUSE 1 OBJECTS

1.01 The purposes of this Agreement are to stabilize the industry and to promote peace and harmony; to promote the settlement of labour disagreements by conference, to facilitate the peaceful adjustment of all disputes and grievances; to prevent strikes and lock-outs, waste, expense, avoidable and unnecessary delays and generally to encourage a spirit of helpful cooperation between the Employer and the Union to their mutual advantage.

CLAUSE 2 WAGES

2.01 Employees in the bargaining unit employed by the Employer will receive wages as set out in Schedule "A" to this Agreement.

CLAUSE 3 MANAGEMENT RIGHTS

3.01 The Union recognizes and agrees that subject to the terms of this Agreement the Employer has the exclusive right to manage its business.

3.02 It is expressly understood that all rights not specifically covered by this Agreement shall remain the rights of the Employer.

CLAUSE 4 UNCONDITIONAL BAN ON STRIKES AND LOCKOUTS

4.01 The parties to this Agreement agree that during the term of this Agreement or any extension thereof, there will be an unconditional ban against strikes by the Union or its membership, and against lockouts by the Employer.

CLAUSE 5 HOURS OF WORK

5.01 The regular hours of work shall be as established by the Employer from time to time, but in the event the Employer is only operating one shift, the start time for that shift shall not be earlier than 6:00 a.m. and shall not be later than 12:00 noon.

5.02 The Employer reserves the right to establish other shifts as required from time to time including shifts requiring work on Saturdays, provided that no more than eighty (80) hours in a pay period will be required to be worked.

5.03 All work done outside of the regular hours of a shift shall be considered overtime and paid for at the rates provided herein.

5.04 With the exception of a compressed work week as described in paragraph 5.06 below:

- (a) All hours over eight (8) hours per work day up to and including ten (10) hours per work day shall be paid at time and one-half. All hours over ten (10) hours per work day shall be paid at double time.
- (b) All hours worked up to ten (10) hours on an employee's first regular day off, at the Company's request, shall be paid at time and one-half. All hours worked beyond ten (10) will be paid at double his regular rate of pay.
- (c) All hours worked on an employee's second regular day off, even if the first day off was not worked, and recognized statutory holiday, shall be paid at double his regular rate of pay.
- (d) The exception to the above sections b and c is when the employee has received requested time off during the week previous to the first or second day of rest. Straight time shall apply until the forty (40) per week has been obtained. Any hours above the forty (40) per week shall be paid at the appropriate rate as per the above Sections (b and c).
- (e) The Company shall pay an employee at the double time rate if said employee is required to work on his single day of rest while working on a five (5) days on - one (1) day off - five (5) days on - three (3) days off schedule.

- 5.05 The Employer shall give four (4) hours' notice to employees who are to be laid off temporarily.
- 5.06 The Employer shall have the right to establish a compressed work week without payment of overtime, provided that the employee shall not be required to work more than ten (10) hours per day and forty (40) hours per week.
- 5.07 Overtime shall be offered to qualified employees in order of seniority. If required, overtime will be assigned to qualified employees by reverse seniority.
- 5.08 At the time an employee is requested, or the employee requests to work extra hours beyond his regular shift hours, by mutual agreement, the employee may ask for compensating time off in lieu of pay. The time off shall be taken at the straight time rate of pay at a time mutually agreed to by the employee and the Employer. This time shall be taken off before October 31 of each year, otherwise the time will be paid for at the straight time rate of pay.**

Banked time is banked at converted hours and paid at straight time rate – but for full hours, i.e. 1 hour banked at 1 ½ times is paid out at 1 ½ hours straight time.

Note: James Western Star Company Policy limits the number of banked hours at 80 hours allowed at a time. Anything over 80 hours must be taken in time off or paid out.

- 5.09 The employees shall receive the appropriate overtime premium and holiday pay on the “total package” amount (i.e. \$28.97 at 1 ½ x's equals \$43.46). From this “total package” amount will be deducted the Pension contribution (i.e. \$2.75), additionally the appropriate holiday pay (i.e. 4%) will be paid on the “total package”, plus overtime if applicable. The intent is the Kelowna employees shall receive the same amounts as the Kamloops employees.

CLAUSE 6 STATUTORY HOLIDAYS

- 6.01 Subject to the eligibility provisions set out in this Agreement, the following days shall be recognized as paid statutory holidays:

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

- 6.02 To be eligible to receive pay for a statutory holiday, an employee must have been employed by the Employer for a minimum of four (4) weeks prior to the statutory holiday and he must work the last scheduled work day before the holiday and the first scheduled work day following the holiday and must have worked fifteen (15) of the last thirty (30) work days immediately preceding the holiday, unless otherwise agreed between the Employer and employee.

- 6.03 All eligible employees will be paid for the statutory holidays at their regular applicable rate of pay times the number of hours in their regular assigned shift.
- 6.04 In addition to the paid holiday, any employee who is required to work on a statutory holiday shall be compensated at the applicable overtime rate established in this Agreement.
- 6.05 When any of the above-noted statutory holidays or general holidays fall on Sunday and are not proclaimed as being observed some other day, the following Monday shall be deemed to be a holiday for the purpose of this Agreement, unless other arrangements are made between the Employer and employee by mutual agreement.
- 6.06 Pursuant to Clause 6.02, when any of the above-noted holidays fall on an employee's scheduled day off, the employee shall receive his next scheduled working day off, with pay.
- 6.07 When a statutory holiday is observed on a Friday or Monday and the Employer decides to shut down his operation on the corresponding Saturday to enable all concerned to observe a three (3) day weekend, the Employer will inform the employees of his intention at least seven (7) days prior to the effective weekend.

CLAUSE 7 VACATIONS

- 7.01 All employees covered by this Agreement shall receive an annual vacation with pay in accordance with the following schedule:
- (a) Up to and including four (4) years service - 2 weeks; for which the greater of two (2) weeks regular pay or four percent (4%) of the employee's gross annual income will be paid;
 - (b) Five (5) years up to and including eleven (11) years of service - 3 weeks; for which the greater of three (3) weeks regular pay or six percent (6%) of the employee's gross annual income will be paid. Holiday pay shall be accrued from the start of the eleventh year.;
 - (c) Twelve (12) years and up - 4 weeks; for which the greater of four (4) weeks regular pay or eight percent (8%) of the employee's gross annual income will be paid.

NOTE: Reference Article 5.08 for base wage rate.

- 7.02 Applications for vacations received by the Employer prior to March 31st of each year will be considered on a seniority basis. Applications for vacations received after March 31st of any year will be considered on a "first-come, first-served" basis.
- 7.03 When a statutory holiday falls, or is observed during an employee's annual vacation period, he or she shall be granted an additional day vacation with pay to be taken on that employee's

next scheduled working day in addition to his or her regular vacation time.

- 7.04 Vacations for employees shall be scheduled by the Employer at such times so that the quantity, regularity and disruption of the work of the Employer will be least impaired.
- 7.05 **It shall be the employee's responsibility to notify the payroll department prior to the affected pay period cutoff, to ensure that payment for the period taken is made on the correct pay period.**
- 7.06 Vacation earned must be taken in the calendar year in which it is earned or before March 31st of the following year. Where an employee does not take all or part of his annual vacation within the time limit provided in this Clause, the Employer shall pay the employee his vacation pay for all vacation time not taken by March 31st of the year following the year in which the vacation entitlement is earned.
- 7.07 Annual vacation can only be taken in blocks of at least five (5) days at a time or four (4) days at a time in the event of a compressed work week.

CLAUSE 8 WORKING CONDITIONS

- 8.01 Any employee called to work after hours other than to effect emergency repairs of a customer's vehicle, not being required to work, shall be paid two (2) hours' time. Should the employee commence work, he shall receive not less than four (4) hours' pay at his applicable rate.
- 8.02 In the event that an employee is called after hours to attend to an emergency repair on behalf of a customer and reaching the location of the proposed work, he is not required to work, he shall be paid two (2) hours' time. Should the employee commence work, he shall receive not less than two (2) hours' pay at his applicable rate.
- 8.03 The Employer will honour an employee's written assignment from his wages of his Union dues. The Employer shall deduct from each employee an amount equal to the Union dues from the employee's first payroll cheque after completion of six (6) days of work in a calendar month, and add that employee's name and the said amount to the next applicable date of regular payment of the check-off; i.e. if the check-off for that month has not been remitted to the Union, it shall be added to the check-off for that month; if that month's check-off has been remitted, it shall be added to the following month's check-off remission and shown as a check-off for the previous month worked. Union dues deducted under this provision shall be remitted to the Union not later than the 15th day of the month following the month in which such check-off applies.
- 8.04 If a normal pay day falls on a holiday or weekend, then payment of wages will be made on the work day preceding the holiday.
- 8.05 Two fifteen (15) minute breaks shall be taken in a work shift. Time of the first break shall be

at one-quarter (1/4) of the scheduled shift or as near that period as possible; the second shift work break shall be at three-quarters (3/4) of the scheduled shift or as near that period as possible.

- 8.06 Safety aids, such as welding goggles, shields, earplugs and coveralls (except footwear) shall be supplied by the Employer.
- 8.07 The Employer shall grant leave of absence without loss of seniority to an employee who serves as a juror or crown witness in any court. The Employer shall pay such an employee the difference between his normal earnings and the payment he received for jury service or court witness, excluding payment for travelling, meals, or other expenses. The employee shall present proof of service and the amount of pay received to the Employer.
- 8.08 In case of fire or theft, the Employer shall protect the value of an employee's personal tools to a total of their replacement cost, providing an inventory of tools is filed with the Employer. The employee shall be required to pay any deductible applicable to any policy of insurance the Employer is able to secure in respect of the employee's personal tools. The Employer shall assist the employee in acquiring the required forms to make a claim in respect of tools in the event of fire or theft. The employee shall receive a signed copy of the inventory from the Employer. Coverage will commence at the date of the filing of the inventory with the Employer. This coverage will be provided at no cost to the employee, other than the deductible referred to above. The employee shall not be entitled to compensation in the event of fire or theft if the loss or damage to tools was caused by the employee failing to adequately secure this inventory of tools. The employer will, at all relevant times, take reasonable steps to secure its premises.
- 8.09 In the event that an employee's personal power tool having a value in excess of twenty-five dollars (\$25.00) is broken while being used in the shop, the employee will: (1) immediately notify the general manager of shop foreman of the situation, and (2) take the necessary steps to obtain a warranty settlement for the tool. If a warranty settlement is not obtained, then the general manager will assess the situation giving due consideration to the following:
- (a) The condition of the tool immediately prior to it breaking;
 - (b) The expected useful life of a similar new tool;
 - (c) Whether the tool was being used in a manner consistent with its original purpose at the time it was broken.

If the situation warrants, the Employer will repair the tool or replace it with a tool of equivalent brand and quality.

- 8.10 The Employer shall have the right to establish, maintain and enforce house rules and regulations to assure orderly shop operations. The Employer will endeavour, as soon as reasonably possible, to furnish the employees and the Union with a written summary of such rules and regulations and any amendments thereto.

8.11 Safety Boot Allowance

All hourly employees shall receive either a boot allowance of \$200.00 annually or one (1) pair of CAT boots of his choice supplied by the employer. This allowance to be paid only after one (1) full year of employment and will be prorated up to May 1st of the appropriate year.

8.12 Smoke Free Lunchroom

The Company shall supply suitably enclosed heated smoke free accommodation where employees may have their lunch.

8.13 Online Training

The Company will pay 1 (one) hour pay at the employee's rate for each module done on the employee's own time. This is a flat rate per module. Online training must be approved by the Operations Manager before doing it.

CLAUSE 9 BEREAVEMENT LEAVE

9.01 The Employer will continue payment of regular wages to a regular full time employee who must be absent from work solely due to the death of an immediate relative. Leave will be granted for three (3) consecutive working days. An employee is not eligible for bereavement leave for periods of sickness or disability and layoffs.

9.02 For the purpose of this Clause, "immediate relative" shall mean one of the following: spouse, parent, child, brother, sister, mother-in-law, father-in-law, grandparents, grandchildren. For the purpose of this Clause, spouse may include a common-law relationship provided that the relationship meets the definition as set forth in the Family Relations Act of British Columbia and any amendments thereto.

CLAUSE 10 UNION SECURITY

10.01 The Employer recognizes the Union as the sole and exclusive bargaining agent for the employees in the bargaining unit described in the certification issued by the Industrial Relations Council of British Columbia.

10.02 Each employee covered by this Agreement shall, as a condition of employment, and/or continued employment, be and remain or become and remain a Union member in good standing for the duration of this Agreement or for the duration of his employment with the Company, whichever is shorter. Counting from the date he completes his probationary period with the Company, each new employee will be allowed thirty (30) calendar days within which to make application to join the Union and tender the appropriate initiation fees. The Union shall have the exclusive right to determine who is a member in good standing. Should an employee, at any time, cease to be a member in good standing of the Union, the Company shall, upon notification in writing from the Union, discharge such employee

forthwith.

- 10.03 The bargaining unit may elect or, if necessary, appoint a working shop steward from the employees to represent the employees and the Union shall notify the Employer as to the name of such shop steward. The Employer agrees that no shop steward shall suffer any discrimination by reason of holding such office.
- 10.04 When the Employer for any reason finds it necessary to terminate a shop steward, the Employer will make its best efforts to notify the office of the business representative of the Union prior to such termination.
- 10.05 The business representative of the Union shall have access to the Employer's premises during working hours for the purpose of adjusting disputes, investigating working conditions and ascertaining that the Agreement is being adhered to. The business representative shall first obtain permission from the service manager or one of the principals to enter the premises; permission not to be unreasonably withheld.
- 10.06 The shop steward shall be allowed reasonable time during working hours to carry out his duties. Performance of such duties shall not unreasonably interfere with the employee's primary work duties and responsibilities with the Employer.
- 10.07 Any employee being reprimanded by the Employer shall have the right to request that the shop steward be present. If the shop steward or his alternate is not available, the Employer may require the employee he wishes to reprimand to leave the Employer's premises until a meeting with the shop steward can be arranged. The Employer will recognize any one shop steward to be the representing steward in any situation which requires the involvement of a shop steward.

CLAUSE 11 GRIEVANCE PROCEDURE

- 11.01 In this Clause, the employee shall be defined as an employee who is not a probationary employee.
- 11.02 The Employer shall not dismiss or discipline an employee bound by this Agreement except for just and reasonable cause.
- 11.03 Grievance means any difference between the persons bound by this Agreement relating to the interpretation, application, operation or alleged violation of this Agreement, including any question as to whether the matter is arbitrable and shall include whether an employee has been disciplined or dismissed for just cause.
- 11.04 Should a grievance arise, there shall be no stoppage of work on account of such grievance and an earnest effort will be made to settle the grievance promptly in the following manner:
- (a) Step 1. Within five (5) calendar days from the date of the incident prompting the grievance, the employee shall discuss the matter with the employee's general

manager, with or without the presence of the shop steward at the employee's option;

- (b) Step 2. If no settlement is reached at Step 1., the Union shall submit the grievance in writing to the general manager and the Company President within seven (7) calendar days of the last discussion provided in Step 1. The Company President and/or the general manager shall meet with the grievor, the shop steward and/or the business representative of the Union within seven (7) calendar days of the receipt of the written grievance in an attempt to reach a satisfactory settlement of the grievance;
- (c) Step 3. If settlement is not reached through the foregoing procedures, the grievance may be referred to an arbitration board.

11.05 The Employer may submit a grievance in writing to the Union within fifteen (15) calendar days from the date upon which the incident or circumstances giving rise to the grievance first occurred or arose. The Union shall reply giving its decision within fifteen (15) calendar days of receipt of the grievance.

CLAUSE 12 ARBITRATION PROCEDURE

12.01 If a grievance or dispute cannot be adjusted under the procedures outlined in Section 11, it shall be submitted to a single arbitrator.

12.02 In the event of the failure of the Union and the employer to agree upon an arbitrator, one shall be appointed by the Honourable Minister of Labour for the Province of British Columbia. The said arbitrator shall forthwith sit, hear the parties and their representatives, and determine his award and shall make and deliver his award to the parties within fifteen (15) days from the date the arbitration is heard or within such longer period as the parties may agree to. Each party hereto agrees forthwith to pay to the arbitrator one-half of his fee and expenses.

12.03 The arbitrator appointed under this Section shall not have the power to change, modify, add to, or alter in any way the terms of this Agreement.

CLAUSE 13 HEALTH AND SAFETY

13.01 Employees working in any unsanitary or dangerous jobs shall be supplied with all the necessary safety equipment and protective clothing (except footwear) as required.

13.02 An employee who is injured at work during working hours and is required to leave for treatment or is sent home for such injury shall receive payment for the remainder of the shift at his regular rate of pay unless a doctor or nurse states that the employee is or was fit for further work on that shift.

13.03 Transportation to the nearest physician or hospital for employees requiring medical care as a result of an accident (at work) shall be at the expense of the Employer.

13.04 A safety committee will be formed to include one member from each of the bargaining units,

the non bargaining unit employees of the Employer, and the Employer. The committee will establish the duration of their term on the committee, the frequency of meetings, and any other administrative matters that are required to ensure the intent of the committee is being upheld.

- 13.05 The shop steward, or where there is a safety committee, a Union representative of this committee, shall, if requested, accompany the Compensation Board Inspector on inspections.
- 13.06 The Company shall provide hearing tests for all employees covered under this agreement once per year.

CLAUSE 14 SENIORITY

- 14.01 The Employer shall publish a seniority list during the first week of January and the first week of July of each calendar year.
- 14.02 The seniority list shall be posted on the premises, and copies of the seniority list shall be forwarded to the Union. Any objection to the accuracy of a posted seniority list must be lodged with the Employer in writing within thirty (30) days of the seniority list being posted. Thereafter, the posted list will be deemed to be valid and correct for all purposes.
- 14.03 Apprentices shall be treated as probationary employees for all purposes for the first year of their employment. After their second year of employment, they shall be entitled to seniority, retroactive to the anniversary of their first day of employment with the Employer. Probationary employees will attain seniority after ninety (90) days of employment is completed, retroactive to their first day of employment. In this sub-paragraph, a year of employment shall be defined as a year commencing on the first day of employment or the anniversary of the first date of employment, as the case may be, of an apprentice in which such apprentice actually works 200 or more full or part days. notwithstanding the foregoing, an apprentice shall in any case be deemed to have completed two years of employment upon the completion of 500 actual full or part days of work for the Employer.
- 14.04 The Employer, when laying off employees, shall lay them off in reverse order of their seniority, provided the senior employee has the necessary skills or qualifications to perform the duties required to satisfy the job classification to be retained.
- 14.05 When vacancies occur after lay-off, the Employer shall rehire laid-off employees according to their seniority, provided the employee to be recalled has the necessary skills or qualifications required for the position to be filled.
- 14.06 Should a customer request a particular employee to do specified jobs, the Union and the Employer agree that the Employer may waive the provisions of Clauses 14.04 and 14.05 regarding lay-off and recall.
- 14.07 Only those employees who have successfully completed their probationary period are entitled to claim the rights and benefits arising out of seniority as provided for in this

Agreement.

14.08 An employee will lose all his seniority rights where:

- (a) He is discharged for just and reasonable cause; or
- (b) He voluntarily terminates his employment; or
- (c) He is on lay-off for more than five (5) consecutive months; or
- (d) He does not return to work within two (2) days in response to a recall from lay-off. This time limit will be extended to seven (7) days if the employee is otherwise gainfully employed or by mutual agreement between the employee and the Employer.

CLAUSE 15 PROMOTION POLICY

15.01 Promotions to the position of lead hand will be made on the basis of the selection of the applicant who has the highest qualifications and/or the demonstrated skills and abilities for the position. Where two (2) or more candidates possess equal qualifications and/or demonstrated skills and abilities, then the employee having the most seniority will be given first consideration for the position. Current employees will be given an opportunity to be considered to become indentured when the need for additional apprentices arises.

15.02 The lead hand position, if required, will be posted for five (5) working days before a selection is made.

15.03 It is agreed that the Employer will post upgrading courses available on the bulletin board for all employees to peruse.

15.04 In the event of the promotion of any employee at any time prior to the employee's completion of forty-five (45) working days in such new position, the Employer in his sole discretion may return the employee to his previous position including compensation payable therefore without any loss of seniority on the part of that employee. Such demotion of the employee will not constitute constructive dismissal and the employee shall not have the right to grieve any such demotion.

CLAUSE 16 PROBATIONARY PERIOD

16.01 All new employees shall be on probation for one hundred and twenty (120) calendar days. After ninety (90) days of the probation period there will be a verbal evaluation with the above said employee and service manager. This clause only applies to employees hired after October 19, 1999.

16.02 The right is reserved to the Employer to shorten or eliminate the probation period for former employees in recognition of prior employment with the Employer, related work experience, or demonstrated aptitude.

With the prior agreement of the Union, the Employer may extend an employee's probationary period.

- 16.03 Probationary employees shall be on trial to determine their suitability for regular employment. The Employer may dismiss a probationary employee if he does not find him suitable for regular employment.
- 16.04 When an employee other than an apprentice has successfully completed his probationary period, his seniority shall date from the commencement of his probationary period.
- 16.05 The provisions of this Agreement are restricted with respect to probationary employees as follows:
- (a) They shall not attain seniority until they have successfully completed their probationary period;
 - (b) Their employment may be terminated in accordance with Clause 16.03;
 - (c) They shall not be entitled to benefits under Clause 18 (Technological Change).

CLAUSE 17 HEALTH, WELFARE AND PENSION

- 17.01 **All full-time employees will receive full benefits, as arranged by the employer and listed below, upon completion of their probationary period:**
- a) Basic Medical Services Plan of British Columbia**
 - b) Manulife Employee Benefits Plan - Group Policy Number: G0095595**
 - c) James Western Star self-administered Vision Care benefit**
- 17.02 The Employer will continue to pay its present proportion of the premiums and will remit on behalf of the employees their present proportion of the premiums required by the insurers to maintain the agreed to benefit levels for regular employees during the term of this Agreement.
- 17.03 In the event an employee is sick for eight (8) consecutive days (at which time his group insurance comes into force), the Employer will pay the employee for the fifth, sixth and seventh day at the same rate he would have received from the group insurance plan if the group insurance plan commenced on the fourth day. The fifth, sixth and seventh day must be regularly scheduled work days for the employee. A doctor's certificate is required.

- 17.04 The Company shall provide and maintain benefit coverage for it's employees and their dependents. When the Company changes carriers the coverage shall be no less than currently provided.

A copy of the employer's benefit plan brochure is to be included in the terms and conditions of this Agreement as Schedule "B".

Should the Company change carriers or coverage, the Company shall provide the Union with a copy of the new benefit plan brochure when available.

- 17.05 Employees shall be notified in advance of any future increases to the Vision Care program.

- 17.06 The above benefits will be provided on a 50/50 cost sharing basis between the employer and employee except, LTD premiums which shall be 100% employee paid.

17.07 **Pension Plan**

Parties agree on a two tier Pension Plan contribution sale. Employees must contact the Payroll Department before the anniversary of the agreement to change the contribution rate otherwise it will remain at current rate. All new employees covered under the Collective Agreement must participate in the Pension Plan and elect a contribution level.

Effective October 1, 2008, the Company shall make contributions at the rate of three dollars and twenty five cents (\$3.25) or one dollar (\$1.00) per hour for which wages are payable hereunder to each employee within the scope of this Agreement to the Operating Engineers' Pension Plan. Refer to Clause 5.09 – Pension contribution from total package.

The Operating Engineers' Pension Plan shall be controlled by a Board of Trustees composed of eight (8) representatives designated by the Union.

The Company is required to report on the forms provided by the Pension Plan.

Contributions must be forwarded by the Company to the Operating Engineers' Pension Plan by the fifteenth (15th) day of the month following that which contributions cover.

In the event the Company fails to remit contributions to this Plan in conformity with this section of the Agreement, the Union is free to take any economic action it deems necessary against such Company and such action shall not be considered a violation of this Agreement.

The Business Representative of Local 115 may inspect during regular business hours a Company's record of hours worked by employees and contributions made to the Plan.

Payments to the Pension Plan shall be made by cheque, payable at par, at the City of Burnaby, Province of British Columbia, to the Operating Engineers' Pension Plan.

17.08 RRSP Program

On or about April 30, 2009 (James Western Star fiscal year end), there will be a review of the Kelowna Service Department profitability. If favorable, Kelowna Service Department employees will be offered inclusion in the RRSP program established in the Kamloops Branch. Employees will have to maintain profitability and the efficiencies of the Service Department to continue to participate in the RRSP program.

RRSP PLAN:

- **5 year vesting period**
- **Plan is mandatory plan: (effective end of probation period for new hires)**
- **Employee contribution: 2.5%**
- **Employee contribution paid at their hourly rate**
- **2.5% of hourly rate times hours worked (same as RRSP contributory hours)**
- **Company contributions:**
 - 1.0% 1-5 years**
 - 2.0% 5-10 years**
 - 3.0% 10 + years**
- **Company portion paid at base mechanic rate in contract**
- **% of current hourly rate to maximum of commercial mechanic rate on Schedule "A" (currently 29.77) times hours worked.**
- **Employees who quit or are terminated before the vesting period is up will be able to take out their portion. The Company's portion of contribution will be distributed between the rest of the participants in the plan based on years of service.**

CLAUSE 18 TECHNOLOGICAL CHANGE AND SEVERANCE PAY

- 18.01 It is the purpose of this Clause to provide for technological change as that phrase is presently defined in the Industrial Relations Act of British Columbia and to minimize any adverse effects of such change on employees in the bargaining unit by providing for retraining or severance pay.
- 18.02 The Employer will provide the Union with as much notice as possible of its decision to introduce a technological change.
- 18.03 Wherever practical, employees whose jobs are eliminated by a technological change shall be eligible for retraining to equip them to operate any new equipment. Such retraining will be provided by the Employer to employees but employees must become capable of doing the new job within thirty (30) calendar days (or such longer period as may be agreed to by the Employer and the Union), failing which they may be terminated pursuant to the severance provisions in Clause 18.06.
- 18.04 In cases where retraining is not practical, the employee(s) shall elect:
- (a) Termination of employment; or
 - (b) To be placed on the recall list as set out in Clause 14.04 and 14.05 of this Agreement.
- 18.05 An employee shall be eligible for severance pay immediately if he elects termination under Clause 18.04 (a). If he elects to go on a recall list under Clause 18.04 (b) and is not recalled after five (5) months, he shall be eligible for severance pay at that time in the same amount as he would have received if he had elected termination immediately under Clause 18.04 (a) and his employment shall be terminated.
- 18.06 Full time regular employees eligible for severance pay under Clauses 18.04 or 18.05, or whose employment is terminated due to closure of all or part of the Employer's operation, shall be paid severance pay according to the following formula: employees with more than one (1) year of continuous employment shall receive one (1) week's pay for each full year of service to a maximum of eight (8) weeks' pay.
- 18.07 It is understood that employees laid off under Clause 14 due to depressed business conditions are not eligible for benefits under this Clause.
- 18.08 In the event an employee who has been terminated in consequence of a technological change (and paid severance pay under Clause 18.06) is subsequently rehired, it is understood that he is hire only as a new employee for all purposes of this Agreement.
- 18.09 Employees who are paid severance pay in accordance with this Agreement shall have no other claim for the loss of their employment.

CLAUSE 19 GENERAL

- 19.01 It shall be cause for dismissal for an employee to at any time offer or render his services in competition to those of the services offered by the Employer to its customers.
- 19.02 Apprentices are to be covered by Supplemental Unemployment Benefits (SUB) Plan for the two week waiting period while in attendance at Apprenticeship Training. Payment will be equal to the E.I. premium the apprentice qualified for up to the E.I. Weekly maximum.

Upon successful completion of the apprenticeship training sessions a bonus will be paid as follows:

\$ 1,000.00 on a 6 week course

\$ 1,400.00 on a 8 week course

James Western Star Sterling Ltd. will pay the employee's cost of B.C. Medical, Manulife Group Insurance and Vision Care while he is in attendance of training sessions.

Apprentices need to have a minimum of three (3) months employment with James Western Star Sterling Ltd. to qualify.

- 19.03 An apprentice who quits employment with the company within six (6) months of completion of their last school date shall be responsible to pay the "Completion Bonus" (Article 19.01) they received from the Company. However, this amount will be reduced by 1/6th for every month following training.

CLAUSE 20 DURATION OF AGREEMENT

- 20.01 This Agreement shall be for the period from and including **October 1st, 2008** to and including **September 30th, 2010** and from year to year thereafter, subject to the right of either party to the Agreement at any time within four (4) months immediately preceding the date of the expiry of this Agreement by written notice, to require the other party to the Agreement to commence collective bargaining.

20.02 Should either party give written notice aforesaid, this Agreement shall thereafter continue in full force and effect until:

- (a) The Union commences a lawful strike;
- (b) The Employer commences a lawful lock-out; or
- (c) The parties enter into a new or further Agreement, whichever is the earliest.

DATED THIS ____ DAY OF _____, 20____, AT THE CITY OF KELOWNA, PROVINCE OF BRITISH COLUMBIA.

SIGNED ON BEHALF OF THE EMPLOYER:
JAMES WESTERN STAR STERLING LTD.
(KELOWNA)

SIGNED ON BEHALF OF THE UNION:
INTERNATIONAL UNION OF
OPERATING ENGINEERS, LOCAL 115

ROB JAMES

BRAD GEROW

TRENT KUNZ

SCHEDULE "A"**Wages:**

	October 1st, 2008	October 1st, 2009
Engine/Gear Mechanic	30.32	30.77
Commercial Mechanic	29.77	30.22
Unlicensed Mechanic	26.60	27.00
Body Shop Foreman	31.07	31.55
Body Man	26.13	26.52
Body Shop Helper	15.53	15.76

- **Night shift premium \$1.00 per hour after the conclusion of scheduled dayshift.**
- **Working Foreman premium of \$1.00 per hour when a Shop Manager is not on site and, on Saturdays and Sundays.**
- **No Sunday premium**
- **Procedure to determine Engine/Gear Mechanic Rate:**

When an Employee returns from successfully completing the company provided schooling, he/she shall be subject to a six (6) month evaluation. If successful, the Employee will be moved to the Engine/Gear Mechanic classification and rate. The company will, during the six (6) month evaluation, meet with the Employee to advise him/her of any short comings or problems.

NOTE #1: Apprentice Mechanic rates are based on the Commercial Mechanic (T.Q.'s) rate of pay.

- 1st Year – 55%**
- 2nd Year – 65%**
- 3rd Year – 75%**
- 4th Year – 85%**

NOTE #2: The employees shall receive the appropriate overtime premium and holiday pay on the “total package” amount (i.e. \$28.97 at 1 ½ x’s equals \$43.46). From this “total package” amount will be deducted the Pension contribution (i.e. \$2.75), additionally the appropriate holiday pay (i.e. 4%) will be paid on the “total package”, plus overtime if applicable. The intent is the Kelowna employees shall receive the same amounts as the Kamloops employees.

LETTER OF UNDERSTANDING #1

BETWEEN:

JAMES WESTERN STAR STERLING LTD (KELOWNA)
(The "Company")

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115
(The "Union")

Subject: Customers

The undersigned parties hereby agree that all customers shall have a member of the bargaining unit with them when performing work on company premises.

The foregoing will not apply when working on personal vehicles.

SIGNED in the City of Kelowna this ____ day of _____, 20____.

For the Company

For the Union

Trent Kunz

LETTER OF UNDERSTANDING #2

BETWEEN:

JAMES WESTERN STAR STERLING LTD (KELOWNA)

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

It is hereby agreed that:

- 1) All probationary employees shall be deducted union dues (permit fees) during their probationary period. These dues shall be included in the Company's regular monthly remittance of dues.
- 2) The Company shall forward the probationary employees pension contributions to the Operating Engineers Pension Plan as part of their regular pension plan remittance.

SIGNED this _____ day of _____, 20__.

For the Company

For the Union