

COLLECTIVE AGREEMENT

February 1, 2011 - January 31, 2014

BETWEEN:

**ATLANTIC INDUSTRIES LIMITED/INDUSTRIES ATLANTIC
LIMITEE**

Armstrong, B.C.

(Hereinafter referred to as the "Company")

AND:

**CONSTRUCTION MAINTENANCE AND ALLIED WORKERS
LOCAL 1346**

Vernon, B.C.

(Hereinafter referred to as the "Union")

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ARTICLE 1: OBJECTIVE

1.01 General Purpose

The objective of this agreement is to promote and improve industrial and economic relationships between the Company and the Union, 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.

ARTICLE 2: MANAGEMENT RIGHTS

2.01 Right to Manage

The Company reserves the exclusive right to operate and manage the business in all respects in accordance with its commitments and responsibilities. The locations of operations, schedules, direction of the working forces, processes, methods and means of dealing with products, materials and equipment are solely the responsibility of the Company.

2.02 Rule Making Authority

The Company reserves the right to engage, discharge, suspend or discipline employees for just cause, to direct the working forces, to promote or transfer employees from one department to another, to increase or decrease the working force and to make reasonable rules for the safety of the plant and the guidance and safety of its employees subject to the terms of this collective agreement.

ARTICLE 3: UNION SECURITY

3.01 Union Recognition

The Company recognizes the Union as the sole collective bargaining agency for all of the employees and classifications coming within the scope of this Agreement and for whom the Labour Relations Board has certified the Union. The collective bargaining unit shall include all personnel at the plant on Crozier Road, Armstrong, B.C., except office and sales staff and supervisory officials including and above the rank of foreman.

3.02 Union Sole Authority

Every employee coming within the scope of this Agreement shall, as a condition of employment, become and remain a member in good standing of the Union, within 30 days of the date on which he was hired. The Company agrees to have each employee fill out a Union application form and payroll deduction form at the time of hire.

3.03 Union Dues Deduction

(a) Upon receipt of signed authorization, the Company agrees to deduct once each month from the earnings of every employee covered by this Agreement such initiation fees, dues and assessments as may be fixed by the Union and communicated to the Company. The total amount deducted shall be forwarded to the Union by the 15th day of each following month, together with an itemized list of the names of the employees to whom said monies are to be credited. The Company agrees to show on every employee's Statement of Remuneration (T4), the total amount of Union dues deducted for the previous year.

(b) Union dues deductions shall be made from the first earned pay periods in each business month providing the employee has credit for not less than four (4) full days pay. If deductions have not been made from an employee for any reason, deduction for that month shall be made from a subsequent pay cheque and forwarded with the next remittance.

(c) There shall be no responsibility on the part of the Company for the monthly dues of an employee, unless there were sufficient unpaid wages of that employee in the Company's hands at the time the deduction shall have been, or would normally have been made.

(d) Any employee who fails to maintain membership in the Union as prescribed herein solely by reason of refusal to pay dues, initiation fees, and assessments shall be subject to discharge after seven (7) days written notice to the Company of said employee's refusal to maintain his membership.

3.04

Both parties agree that personnel not included in the bargaining unit shall not perform any of the work, operate any of the equipment, or use any of the tools normally used by any of the classifications covered by this Agreement except in the case of emergency, instruction on new equipment or training of employees.

ARTICLE 4: UNION REPRESENTATION

4.01 Union Representative Access

Staff representatives of the Union shall have access to the shop or plant during lunch for conducting Union business, but at other times shall first ask permission of Management.

4.02 Shop Steward Recognition

A Shop Steward shall be recognized and shall not be discriminated against for the performance of his duties within the terms of this Agreement. The Steward will be designated in writing by the Union to the Company. An additional Shop Steward will be recognized, if required.

4.03 The Company agrees to provide the Union with appropriately located bulletin boards for the purpose of posting Union notices. Notices will be posted by officers of the Union or the Company supervisor and no such notice shall contain any statements derogatory to the Company.

4.04 The Company agrees to acquaint new employees with the fact that a collective agreement is in effect and the name(s) of the Shop Steward(s) in his area.

4.05 Employees in the bargaining unit shall have access to their personnel records at reasonable times and shall, upon

request, be provided with copies of material contained in such records, which shall be corrected if inaccurate.

ARTICLE 5: GRIEVANCE PROCEDURE

5.01 Purpose of Article

The purpose of this article is to establish procedures for discussion, processing and settlement of grievances as defined in section 5.02 of this agreement.

5.02 Grievance Definition

“Grievance” shall mean a dispute between the persons or parties bound by this agreement respecting its interpretation, application, operation or alleged violation.

5.03 Step 1

The Shop Steward, with or without the employee concerned, shall first attempt to settle the grievance with the Regional Manager or his designate either verbally or in writing. The grievance shall be taken up within fifteen (15) working days from the time of the event. The Regional Manager will provide a response either verbally or in writing within five (5) working days, or at a time mutually agreed upon. If the grievor does not take the grievance to Step 2 within five (5) days following the Regional Manager’s decision, then the grievance shall be deemed to have been settled at Step 1.

5.04 Step 2

If a settlement is not reached at Step 1, the matter may be referred to the General Manager or his designate and the Business Representative or his designate within five (5)

working days of receiving the Regional Manager's decision at Step 1. The General Manager or his designate shall submit his decision in writing to the Union within fifteen (15) working days of receipt of the grievance at Step 2. Failing satisfactory settlement at Step 2 the grievance may be referred to arbitration.

A grievance that is not referred to arbitration within ten (10) working days of the receipt of the decision of the General Manager or his designate shall be deemed to be abandoned.

5.05 All time limits may be changed as mutually agreed.

ARTICLE 6: ARBITRATION

6.01 (a)

Whenever pursuant to the provisions of this Agreement a reference to Arbitration is invoked, the parties shall, within ten (10) working days of the reference to arbitration, or a time mutually agreed upon, select a single Arbitrator from the Register maintained by the Collective Agreement Arbitration Bureau who is mutually acceptable to the Union and the Company.

(b) When the arbitrator has been selected as per Clause 6.01 (a), the arbitrator shall meet, hear the evidence of both parties and render a decision as soon as possible.

6.02 The decision of the Arbitrator shall be final and binding.

6.03 This Arbitrator shall have jurisdiction and authority to interpret and apply the provisions of this Agreement insofar as it may be necessary to the determination of a grievance referred to Arbitration, but shall not have the jurisdiction and

authority to alter or amend any of the provisions of this Agreement.

6.04 In the case of a reference as to whether a matter is arbitral, or a reference involving the interpretation, application, operation, or any alleged violation of this Agreement, the decision of the Arbitrator shall be final and binding on the parties hereto.

6.05 The parties hereto will each bear the expenses and charges of its representatives at the arbitration and shall bear an equal proportion of the expenses and allowances of the Arbitrator, and of stenographic and secretarial expense, and rent.

6.06 A claim by an employee that he has been unjustly discharged, suspended or laid off may be settled by confirming the Company's decision in discharging, suspending or laying off the employee, or by reinstating the employee with full or partial compensation for time lost as seems just and equitable in the opinion of the conferring parties or the Arbitrator as the case may be.

ARTICLE 7: HOURS OF WORK AND OVERTIME

7.01 (a) Standard Hours:

The standard workday shall consist of eight (8) hours, worked between the hours of 8:00 a.m. and 4:30 p.m. with a designated thirty (30) minute unpaid lunch period at midday, Monday to Friday inclusive. Five (5) shifts Monday to Friday inclusive, shall constitute a regular week's work on all shifts. The work week shall be a period from 12:01 a.m. Monday to 12:00 p.m. Friday.

In addition, the Company may continue with the following shifts:

- 1) 6:00 am - 2:30 p.m
(6:00 a.m.- 8:00 a.m. - 2:30p.m. – 4:30 p.m.)
- 2) 10:00 a.m. - 6:30 p.m.
- 3) 12 noon - 8:30 p.m
- 4) after 4:00 p.m. and before 6:00 a.m.

(b) Rest Breaks:

A fifteen (15) minute paid rest period will be allowed midway in each half of a shift. If overtime has been scheduled, a fifteen (15) minute paid rest period will be allowed between the end of the regular shift and the start of overtime. Emergency situations will take precedence over a break which will be taken as soon as possible when corrected.

7.02 (a) Shift Premiums:

- a) Employees working shift #2 shall receive a shift differential of \$.25 per hour.
- b) Employees working shift #3 shall receive a shift differential of \$.35 per hour.
- c) Employees working shift #4 shall receive a shift differential of \$.50 per hour.

7.03 Overtime:

Overtime hours and rates are as follows:

- (a) Sundays and Statutory Holidays shall be paid for at the double time rate of pay when worked, plus statutory holiday pay when applicable.

- (b) All hours in excess of eight (8) and up to eleven (11) during a regular shift will be paid for at the rate of one and one-half (1.5) times the regular rate.
- (c) All hours in excess of eleven (11) during a regular shift will be paid at double time.
- (d) All hours in excess of 40 hours in a week, but excluding from the calculation all hours worked in excess of eight (8) hours in a day shall be paid for at the rate of one and one-half (1.5) times the regular rate.
- (e) Hours in excess of 48 hours in a week but excluding from the calculation all hours worked in excess of eight (8) in a day shall be paid for at the rate of two (2) times the regular rate.
- (f) A general holiday shall be treated as the equivalent of eight (8) hours worked for the purposes of overtime.
- (g) Employees may accumulate the equivalent of forty (40) hours of straight time, to be taken as time off with pay during the period of December 1 – March 31. Accumulated overtime shall not be applicable towards vacation bonus in clause 12:04.

7.04 All overtime work will be voluntary and no employee will be discriminated against for refusal to work overtime. The Union agrees that it will not discourage the employees from working overtime.

7.05 (a)

The Company shall give employees reasonable notice of overtime except in cases of emergency.

(b)

Overtime shall be equitably distributed as far as reasonably practicable among the employees capable of doing the work.

7.06 An employee who has already left the premises of the Employer after completion of his scheduled shift, and who is recalled for work, shall be paid at the rates noted in 7.03 above but in no event shall he be paid for less than two (2) hours.

7.07 If the work for which an employee was scheduled to report is not available, or if there is no substitute work for him that is within his reasonable capacity to perform, he shall be paid a reporting allowance of four (4) hours pay at the appropriate rate of pay for the job on which he was scheduled to report.

7.08 Employees called in before their regular starting time by Company shall be paid at one and one-half (1.5) times their regular rate for hours worked prior to their regular starting time.

ARTICLE 8: LEAVE OF ABSENCE

8.01 Subject to operational requirements, an employee will be allowed a thirty (30) day leave of absence without pay or benefits for personal reasons if:

- (i) He requests it from the management in writing at least thirty (30) days in advance or such shorter period as agreed by the Company, and
- (ii) Providing the leave is not for the purpose of working elsewhere.

8.02 A leave of absence will be extended for additional thirty (30) day periods if there is a good reason and management and Union mutually agree. The employee must request the extension in writing before his thirty (30) day leave is up.

8.03 The Union will be notified of all leaves granted under this section.

8.04 Union Leaves

An employee who has been elected or appointed by the Union to attend Union conventions or other business of the Union shall be granted a leave of absence without pay for this purpose. The Union will inform the Company of the names of the delegates at least one (1) full week or earlier if possible in advance of the requested leave.

8.05 No leave of absence will affect any employee's seniority rights when used for the purpose granted provided he returns to work at the expiration of his leave.

8.06 Jury Duty

- (a) Any regular employee who is required to perform jury duty, Crown witness or coroner's witness duty will be entitled to reimbursement at his straight time hourly rate, including shift differential, for the difference between the hours necessarily lost as a result of serving on the jury, Crown witness or coroner's witness,

and any fees received, provided that such reimbursement shall not exceed eight (8) hours per day or forty (40) hours per week. The employee will be required to furnish a signed statement from a responsible officer of the court as proof of jury service, Crown witness or coroner's witness.

(b) Employees will be required to report for work if their jury service or Crown witness service ends on any day in time to permit at least four (4) hours work in the balance of their day shift.

(c) Hours paid for jury duty, Crown witness, coroner's witness and coroner's jury shall be counted as hours worked.

8:07 Leave Benefits

Sick Leave/Personal Leave

Employees who have been in the employ of Atlantic Industries Limited for more than ninety (90) days shall be granted one (1) day sick leave/personal leave, with pay, per month to a maximum of five (5) days per calendar year. A doctor's certificate may be required after three (3) days absence.

- Personal leave includes but is not limited to:
- Medical or dental appointments
- School conferences
- Observance of religious holidays not already covered
- Illness in the immediate family (i.e. spouse, domestic partner, child, step-child, parent, step-parent,

- grandparent, brother, sister, mother-in-law, or father-in-law.
- Appointment with an attorney or accountant
 - Court summons (other than jury duty)
 - Employee relocation (other than company-sponsored relocation)
 - Volunteer work
 - Automobile breakdown

Please refer to the following guidelines when planning the use of any personal time.

Other than emergencies, when utilizing personal time, the employee must give his/her immediate manager, a minimum of two (2) days notice prior to the desired time off. The request must be in writing using the Absence Form (Appendix A). Sick time and time used in emergency should be advised in writing within five (5) days of return to work.

Personal time may not be substituted as vacation time and may not be used to extend planned vacations or holidays,

An employee that is late to work, late from lunch, etc. may stay in the evening long enough to work their normal day so that personal time does not have to be utilized. Excessive tardiness in these areas will be applied to the employee's personal time, and may result in disciplinary action.

Once an employee utilized all his/her sick/personal time for a given year, automatic deductions from the employee's pay will be made for additional sick/personal time that is used.

ARTICLE 9: PAYMENT OF WAGES

9.01 The Company shall, every two (2) weeks, or other period agreed to between the Company and the Union, pay to its employees all wages and salary due to the employees up to not more than five (5) days prior to the date of payment. The Union agrees that payment by direct payroll deposit to the employee's bank account may continue. Payroll information shall include an itemized statement indicating hours worked at straight time and overtime rates, rate of pay, and individual deductions.

9.02 Employees shall be given all wages, Record of Employment and payroll advice as necessary at the time of layoff or termination by the Company. When an employee terminates his employment, his wages, Record of Employment, and payroll advice shall be paid or arrangements made to mail them not later than five (5) days after termination.

ARTICLE 10: BEREAVEMENT LEAVE

10.01 When death occurs to a member of the employee's immediate family, **common-law spouse, step-father, step-mother, grandparents, spouses' grandparents**, the employee, at his/her request, will be granted reasonable necessary time off as funeral leave of absence with pay for the purpose of attending the funeral on the day prior to the funeral, the day of the funeral, and the day after the funeral with a maximum of three (3) days, provided he would have been required to work on such days immediately prior to, including and after, the day of the funeral.

10.02 For the purpose of attending a funeral outside the Okanagan area, when death occurs to a member of the employee's immediate family, a leave of absence without pay will be granted for an additional two (2) days.

10.03 Members of an employee's immediate family shall be limited to the employee's spouse, mother, father, brothers, sisters, sons, daughters, mother-in-law, father-in-law, grandparents or legal guardian.

10.04 It is understood that in order to qualify the employee must have attended the funeral and notified the manager in writing within five (5) days after the funeral.

ARTICLE 11: SENIORITY

11.01 The parties recognize that job opportunity and security should increase in proportion to length of service in the bargaining unit. It is therefore agreed that in all cases of vacancy, promotion, shift preference, vacation, transfers, layoffs, terminations and re-call after lay-off or termination, the decision shall be made on the basis of seniority and ability to efficiently fulfill the job requirements. Seniority shall be applied on a bargaining unit wide basis.

11.02 Employees granted the vacancy or promotion who are found to be unsuitable shall be returned to their previous work station and rate classification within thirty (30) days of filling the vacancy or promotion.

11.03 An employee shall be a probationary employee without seniority rights until he shall have been in the Company's employ for a period of three hundred (300) hours actually worked in a one-year period. Notwithstanding anything contained in this Agreement, the Company may

terminate the employment of a probationary employee at any time for unsuitability. Upon completion of probation, seniority shall commence from Date of Hire.

11.04 Loss of Seniority

An employee shall lose his seniority standing and his name shall be removed from the seniority lists for any one of the following reasons:

- (i) If the employee voluntarily quits;
- (ii) If the employee is discharged for just and reasonable cause and not reinstated in accordance with the provisions of this Agreement.
- (iii) If the employee fails to return at the expiration of a leave of absence when due except where warranted by circumstances beyond his control.
- (iv) If the employee fails to return to work within five (5) working days after receiving notice of recall after lay-off unless such time limit is extended by mutual agreement.
- (v) If the employee is on lay-off for lack of work for a period of twelve (12) months or more
- (vi) If the employee is absent due to injury or illness for twelve (12) months or more, except where the absence is due to a WCB compensable injury, in which case the employee shall maintain his seniority until he is declared permanently disabled.

11.05 Job Posting

Every job vacancy and newly-created position within the bargaining unit shall be posted for a minimum of five (5) working days on all boards and a copy of the notice shall be sent to the Union. The notice shall set qualifications for the

job, classification and wage rate. An employee desiring the position must make an application in writing to management within five (5) working days of the posting.

11.06 Seniority List

The Company shall maintain a seniority list of all the employees in the bargaining unit showing the date on which each employee's service commenced. The list shall be revised as required, and copies posted on the plant bulletin boards for employee's inspection. The Union shall also be provided with two (2) copies. The bargaining unit members will direct the Company as to which employee is considered to have more seniority where more than one (1) employee commenced work the same day.

11.07 Notice of Layoff

In the event of temporary lay-off, every employee shall be given either one (1) week's notice in advance, or one (1) week's pay in lieu of notice at his appropriate rate of pay.

11.08 Recall

- (a) Employees shall be recalled in order of their seniority, when jobs become available, provided they have the ability to perform such jobs. The employee shall return to work within five (5) working days from the time he receives notice of recall unless on reasonable grounds he is unable to do so. No new employee shall be hired until those laid off have been given the opportunity of recall.
- (b) Employees will leave mailing addresses and telephone numbers with the Union and the Employer for the

purposes of recall. Notice of recall mailed to the employee's last provided address shall be deemed to be received within four (4) working days of mailing.

- (c) The Shop Steward will be given a list of employees recalled and of those employees who cannot be contacted by the second (2nd) day of recall.

11.09 In the event of an emergency lay-off due to causes beyond the Employer's control, employees may be laid-off out of seniority for a period not to exceed three (3) working days. Senior employees will be given preference where they have the ability to perform the available work. The Shop Steward shall be consulted prior to implementing Section 11.09 with a view to reaching mutual agreement.

ARTICLE 12: VACATIONS

12.01 With respect to annual vacations and vacation pay, the following provisions will apply:

<u>Service Completed as of December 31</u>	<u>Vacation Leave</u>	
<u>Vacation Pay</u>		
Less than 1 year	1 Day/160 Hours Work (Maximum 10 Days)	4%
1 year and less than 3 years	2 weeks	4%
3 years and less than 5 years	2 weeks	5%
5 years and less than 10 years	3 weeks	6%
10 years or more	4 weeks	8%

15 years or more

5 weeks

10%

A week shall mean seven (7) consecutive days excluding holidays falling within the period.

Vacation pay percentage is to be calculated on gross annual earnings of the prior year.

12.02 It is understood and agreed that no employee may take more than three (3) weeks vacation during the period May 15 to October 15. A maximum of (2) weeks vacation may be taken at one time during this period.

12.03 The vacation allowance may be withdrawn on the regular pay date preceding the vacation, provided the Company has received sufficient notice for payroll processing.

12.04 A vacation bonus of \$200.00 per week will be paid for all vacations taken from December 1 to March 31 of each year. The first week must be taken consecutively, whereas the subsequent weeks may be taken intermittently. The bonus will only be paid at the end of any 5-day increment of vacation leave taken.

12.05 Vacations earned in one vacation period must be taken before the end of the following vacation period and cannot be accumulated from year to year. Individual vacations will be scheduled by the Company after giving consideration to employee seniority and requests.

12:06 Employees shall give the Regional Manager a minimum of two weeks notice for any vacation leave, except under extenuating circumstances by mutual agreement between employer and employee.

ARTICLE 13: PAID HOLIDAYS

13.01 An employee who qualifies for paid holidays as outlined below shall receive eight (8) hours pay at his regular rate for each of the following holidays:

½ day New Years Eve –4 hours pay

New Years Day

Good Friday

Victoria Day

Canada Day

B.C. Day

Labour Day

Thanksgiving Day

Remembrance Day

½ Day Christmas Eve - 4
hours pay

Christmas Day

Boxing Day

In the event the stat holidays (Christmas Eve and New Years Eve) fall within the scheduled Christmas break the Union agrees that the members will be paid in lieu of time off.

13.02 If a holiday should fall on a Saturday or Sunday, the next following working day(s) will be observed as the holiday, or as otherwise agreed between the Union and Company.

13.03 Should any of the foregoing holidays occur during the employee's vacation period, he shall be given an extra day's vacation with pay for each holiday.

13.04 In order to qualify for the eight (8) hours' pay for a holiday, the employee must have thirty (30) calendar days' service with the Company and must work the last work day before the holiday and the first work day after the holiday, unless his absence is due to jury or witness duty, death in

the immediate family, the employee was on regularly scheduled vacation, or the employee was on an approved leave of absence.

ARTICLE 14: SAFETY AND HEALTH

14.01 The Company shall institute and maintain all necessary precautions to guarantee every employee a safe and healthy workplace, meeting WCB regulations and environmental standards. The Employer and employees shall comply with the applicable federal, provincial and municipal health, safety and environmental legislation and regulations.

14.02 A joint safety and health committee shall be established in accordance with WCB regulations which shall consist of an equal number of representatives of the Employer and of the Union. Such committee shall identify potential dangers, institute means of improving safety and health of employees, including safety and health programs and obtain information from the employer or other persons respecting the identification of hazards and safety and health experience and work practices and standards elsewhere. The committee shall meet at least once a month. Time spent in such meetings is to be considered time worked. Minutes shall be taken of all meetings and copies shall be sent to the Employer and to the Union.

14.03 In the event of accident or injury, such representatives shall be notified immediately and shall investigate and report as soon as possible to the Union and to the Employer on the nature and causes of the accident or injury. Furthermore, such representatives must be notified of the inspection of a Government inspector and shall have the

right to accompany him on his inspections. Time spent in all such activities shall be considered time worked.

14.04 Injury at Work

An employee injured at work and unable to work because of such injury shall be paid his full rate of pay including overtime and shift premium for that shift. The above will also apply if any employee has to absent himself to take another employee to seek medical attention for a period of time during his shift, caused by a work place injury. Lost time incurred after the accident for visits to a doctor or hospital directly relating to the accident will be paid for by the employer if these appointments are during the persons scheduled shift.

14.05 The Company agrees to provide the necessary protective clothing and safety equipment at no cost to the employees. This equipment must be used in accordance with the WCB regulations. Coveralls will be supplied and cleaned by the Company as needed. Aprons and smocks will be supplied on an as needed basis. The Company will provide work gloves as required. Employees are required to cooperate in maintaining a clean work environment and tidy lunchroom.

14.06 The Company shall reimburse each employee with seven (7) months or eleven hundred (1100) hours of continuous service in any calendar year up to a sum of **one – hundred – fifty (\$150.00) per year for the purchase of approved safety footwear.**

ARTICLE 15: HEALTH PLAN

15.01 The Company agrees to contribute Two Dollars and six cents (**\$2.06**) per hour worked for each employee who has completed the probation period to the Plan to a maximum of 150 hours per month, for the duration of this contract.

15.02 Once a new employee has completed the Probation Period, the Company shall then submit a lump sum payment of two hundred and sixty hours (260 hours) to the Plan.

15.03 Coverage of employees under the Plan shall be a matter between the employee and the Plan, and, except for payment of premiums required under this Article, shall not be grieved under this Agreement.

15.04 The Company shall make payment to the trustees of the Plan by a single payment made by the tenth (10th) day of the month following that which the payments cover, to any agency designated for that purpose by the Union, accompanied by a report of particulars on reporting forms approved by mutual agreement of the Union and the Company.

15.05 Penalties for Delinquent payment and/or deductions:

- (a) The Union will advise the Company within forty-eight (48) hours in writing of any delinquent monthly payment.
- (b) If the Company fails to respond within forty-eight (48) hours of notification exclusive of weekends

and statutory holidays, the Union shall require a ten (10%) percent penalty of the amount of the late payment. This penalty shall not apply to disputed payments.

15.06 In addition to employees being able to obtain Plan details and forms required for coverage from the Union office and the Shop Steward, the Company agrees to make available the information and forms, as supplied by the Union, at the Company offices.

ARTICLE 16: DISCHARGE AND DISCIPLINARY PROCEDURE

16.01 In order to maintain discipline and in the interest of safety and economy of operation, and for the protection of persons and property, general rules governing shop discipline will be posted every six months, if there have been any changes, as a guide to individual conduct in the plant.

16.02 Warning Slips:

- (a) The Company and the Union agree that in the application of plant discipline a system of warning slips will be instituted.
- (b) Employees will be warned verbally by their supervisor with a Shop Steward in attendance prior to receiving the first warning slip.
- (c) Employees may be disciplined more severely on receiving the third (3rd) warning slip.

- (d) The Shop Steward will be supplied with a copy of all slips issued. Each warning slip will be erased from the employee's records twelve (12) months after issue. When a warning slip is issued, a Shop Steward will be in attendance.
- (e) If a warning slip is issued for absenteeism, the employee concerned shall receive a copy of his attendance record.
- (f) The format of the warning slips will not be changed without mutual agreement between the Company and the Union.
- (g) The Company reserves the right to suspend or terminate an employee for more serious offenses.

16.03 Employees must be in their work places, ready for work, when their shift is scheduled to begin.

16.04 An employee who is unable to report for work shall report this to the Regional Manager as soon as possible, and in any event before the commencement of the shift, unless impossible to do so.

16:05 Use of Company premises, equipment or material, for personal purposes at any time, without management authorization, will not be permitted.

ARTICLE 17: ADJUSTMENT PLAN

17.01 If the Company introduces or intends to introduce a measure, policy, practice or change that affects the terms, conditions or security of employment of a significant number of employees in the bargaining unit:

- (a) the Company shall give notice to the Union at least 60 days before the date on which the measure, policy, practice or change is to be affected, and
- (b) after notice has been given, the Company and the Union shall meet, in good faith, and endeavor to develop an adjustment plan, which may include provisions respecting:
 - (i) consideration of alternatives to the proposed measure, policy, practice or change, including amendment of provisions in this Agreement
 - (ii) human resource planning and employee counseling and retraining
 - (iii) notice of termination
 - (iv) severance pay
 - (v) entitlement to pension and other benefits including early retirement benefits
 - (vi) a bipartite process for overseeing the implementation of the adjustment plan

17.02 If the parties have agreed to an adjustment plan in accordance with this Article, it is enforceable as if it were part of this Agreement.

ARTICLE 18: CONTRACTING OUT

18.01 The Company agrees not to contract out work normally performed by the bargaining unit employees if the contracting out results in the lay-off of a regular employee.

18.02 The Union recognizes that the Company may continue to contract out any work, which has been contracted out in the past.

18.03 Where the Company is considering contracting out work, which it has not contracted out previously, it, will consult with the Union.

ARTICLE 19: MOVING OPERATIONS

19.01

(a) The Employer agrees that, if the existing operations covered by this agreement, or part of them, are moved or otherwise transferred to another location within the Province of B.C., this Collective Agreement shall thereupon also be applicable at the new location, and any Employee wanting to apply at the new location will be given first preference of employment with full seniority.

(b) The above will also apply when part or all of the operations are moved or transferred. Preference will be given to Employees of the existing operations before hiring outside workers.

ARTICLE 20: SEVERANCE ALLOWANCE

20.01 Any employee who is permanently terminated shall be entitled to notice or pay in lieu as required by the Part entitled "Termination of Employment" in the Employment Standards Act.

ARTICLE 21: WAGES

21.01 A First Aid position will be posted and the successful applicant designated by the Employer. The Employer will pay course fees, where applicable for the First Aid person to obtain his ticket(s) or renewals. This applies only to the designated employee. Designated First Aid person shall receive \$.25 per hour above his appropriate rate of pay. If Level 3 (Industrial) First Aid is required by WCB, the designated First Aid person shall receive \$.50 per hour above his appropriate rate of pay.

21.02 Rates of pay shall be as set out below:

Effective Feb 1, 2010

	Start	6	12	18	24
		Months	Months	Months	Months
Level P	\$14.00	\$15.00	Level 1		
Level 1	\$17.48	\$18.19	\$18.87	\$19.55	\$20.24
Level 2	\$18.19	\$18.87	\$19.55	\$20.24	\$20.90
Level 3	\$20.90	\$21.60	\$22.30	\$22.98	\$23.65

Effective February 1, 2011

	Start	6	12	18	24
		Months	Months	Months	Months
Level P	\$14.00	\$15.00	Level 1		
Level 1	\$17.48	\$18.19	\$19.20	\$19.89	\$20.59
Level 2	\$18.19	\$18.87	\$19.89	\$20.59	\$21.27
Level 3	\$20.90	\$21.60	\$22.69	\$23.38	\$24.06

Effective February 1, 2012

Level P	\$14.00	\$15.00	Level 1		
Level 1	\$17.48	\$18.19	\$19.54	\$20.24	\$20.95
Level 2	\$18.19	\$18.87	\$20.24	\$20.95	\$21.64
Level 3	\$20.90	\$21.60	\$23.09	\$23.79	\$24.48

Effective February 1, 2013

Level P	\$14.00	\$15.00	Level 1		
Level 1	\$17.48	\$18.19	\$19.98	\$20.69	\$21.42
Level 2	\$18.19	\$18.87	\$20.70	\$21.42	\$22.13
Level 3	\$20.90	\$21.60	\$23.61	\$24.33	\$25.03

Level P - New Hires

Level 1 - Forklift, Recorr, Fittings Shop, Couplers

Level 2 – Designated Forklift

Level 3 - Spiral Mill Operator

Ken Lozinski – Welder – for the term of this agreement will be paid equivalent of Level 2, with all the appropriate scheduled wage increments.

21.03 If deemed necessary by the Regional Manager, a Charge Hand may be appointed. The Charge hand shall receive \$1.00 per hour above his appropriate rate of pay. A Charge Hand is an employee who is assigned to instruct others in the performance of their work and may be held responsible for the quality and quantity of work.

21:04 If a new employee is hired with prior experience, the Company may place him in the appropriate wage category.

ARTICLE 22: DURATION OF AGREEMENT

22.01 This Agreement constitutes the entire Agreement and understanding between the Company and the Union and is not to be modified, altered or changed or amended in any respect except by mutual agreement set forth in writing and signed by both parties.

22.02 This Agreement shall be in effect from **February 1, 2011 to January 31, 2014** and will continue in full force and effect from year to year thereafter, unless either party at any time within four (4) months immediately preceding the expiration date of this Agreement gives written notice to require the other party to commence collective bargaining. If no Agreement is reached at the expiration date of this contract and negotiations are continued, this Agreement will remain in force until a new Agreement is reached or until the Union strikes, or the Company locks out, or the parties conclude a renewal or revision of this Agreement.

22.03 There shall be no strikes or lockouts so long as this Agreement continues to operate.

ARTICLE 23: SAVINGS CLAUSES AND GENERAL PROVISIONS

23.01

(a) Words in the masculine gender shall include the feminine gender and vice versa.

(b) Whenever Company is mentioned in this Agreement,

it shall mean the Employer.

23.02 Should any part hereof or any provision herein contained be rendered or declared invalid by reason of any existing or subsequently enacted legislation or by any judgment or order of a court of competent jurisdiction, such invalidation of such part or portion of this Agreement shall not invalidate the remaining portion hereof, and such remaining portions shall remain in full force and effect.

23.03 In the event that any clause or section is held invalid; or enforcement of, or compliance of which has been restrained, as set forth above, the parties affected thereby shall enter into immediate collective bargaining negotiations upon the request of either party for the purpose of arriving at a mutually satisfactory replacement for such article or section during the period of invalidity or restraint. If the parties do not agree on a mutually satisfactory replacement, they shall submit the dispute to the Grievance Procedure.

23:04 The company agrees to give the union reasonable notice of any planned renovations or expansions to be undertaken at the Armstrong location.

Dated at Armstrong, British Columbia, this 1st day of February, 2011.

ATLANTIC INDUSTRIES LIMITED
LOCAL 1346

CMAW UNION

Per:

Per:

Chuck Baynham

Bryan Thor

LETTER OF UNDERSTANDING #1

February 1, 2011 to January 31, 2014

BY AND BETWEEN

**ATLANTIC INDUSTRIES LIMITED/INDUSTRIES ATLANTIC LIMITEE
Armstrong, B.C.**

Hereinafter referred to as the "Company")

AND:

**CONSTRUCTION MAINTENANCE AND ALLIED WORKERS LOCAL 1346
Vernon, B.C.**

(Hereinafter referred to as the "Union

- 1) Employee Share of the Pension Contribution will remain as 3.5%
(matched by the company).
- 2) Except by mutual consent the existing collective agreement will remain
in full force and effect until January 31, 2014.

Date of signing: 1st of February 2011

On behalf of the Company (Atlantic Industries Ltd)

Chuck Baynham

