

2014 - 2017 AGREEMENT

Between



IST Boiler Components Inc.

And



2014 - 2017 AGREEMENT

IST BOILER COMPONENTS INC.

and

INTERNATIONAL BROTHERHOOD OF BOILERMAKERS,
IRON SHIP BUILDERS, BLACKSMITHS, FORGERS
& HELPERS LODGE 359

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ERRORS & OMISSIONS EXCEPTED

2014 - 2017 AGREEMENT

BETWEEN: **The "Company"**
 IST Boiler Components Inc.
 6425 River Road
 Delta, BC V4K 5B9

AND: **The "Union"**
 INTERNATIONAL BROTHERHOOD OF BOILERMAKERS,
 IRON SHIP BUILDERS, BLACKSMITHS, FORGERS
 & HELPERS, LODGE 359

This Agreement, governing wages and working conditions in the Company's fabricating shop, shall govern relations between the Company and the Union.

ARTICLE 1:00 RECOGNITION, SCOPE AND PURPOSE OF AGREEMENT

- 1:01 The Company recognizes the Union as the sole bargaining agent for all its employees, as duly certified under the Labour Relations Code.
- 1:02 The Union agrees to cooperate with and assist in every legitimate way, the Company to conduct a successful business, bearing in mind that both parties must give service to the public.
- 1:03 The purpose of this Agreement is to stabilize the industry, and to promote peace and harmony between the Company and the Union, and to facilitate the peaceful resolution of all disputes and grievances, to prevent strikes and lockouts, waste expense, and avoidable and unnecessary delays.
- 1:04 This agreement shall cover all hourly paid employees as listed under Appendix A "Wages".

ARTICLE 2:00 MANAGEMENT

- The Union recognizes and agrees that:
- 2:01 It is the Company's right to operate and manage its business in all aspects in accordance with its responsibilities and commitments. The choice of equipment, the schedules of manufacturing, the methods and manufacture, are solely and exclusively the responsibility of the Company.
- 2:02 It is the exclusive function of the Company to hire, promote, demote, transfer, classify, recall, discipline, or discharge for cause, employees in the bargaining unit, subject to the provisions of this agreement.

2:03 The Company has the right to make and alter rules and regulations to be observed by the employees, provided they are not inconsistent with this Agreement.

2:04 Nothing in this Article shall be interpreted to prejudice other unspecified traditional rights of the Company.

ARTICLE 3:00 ACCESS BY UNION

3:01 Authorized Agents of this Union shall have access to the Company's establishment during working hours for the purpose of resolving disputes, investigating work conditions, and ascertaining that the Agreement is being adhered to in the operation. Management to be notified before entering shop or plant.

ARTICLE 4:00 UNION SECURITY

4:01 The Company agrees as a condition of employment that all employees covered by this Agreement shall be or become members of the Union within ninety calendar days after employment. All employees who become members of the Union shall remain members of the Union during the term of the Agreement.

4:02 The Company will deduct from each employee, in accordance with Part 2, Section 16, of the Labour Relations Code, the amount of dues or levies, as may be authorized by the employee. Such dues shall be deducted from the first pay period of each month and forwarded to the Secretary-Treasurer of the local lodge of the Union as designated by it with its Constitutional Provisions.

4:03 In the event that new or substitute employees are required; the Union shall be given first opportunity to supply the required employees. If the Union is unable to supply the required employees within forty-eight (48) hours, the Company may obtain same elsewhere.

4:04 All new, substitute and/or casual employees, as a condition of employment shall sign a form authorizing the deduction of dues or levies, and initiation or reinstatement fees of the Union. Such signing shall be carried out at the Union office or by the Shop Steward prior to the commencement of employment.

4:05 All new employees who work five (5) days or more shall, as a condition of continued employment pay dues for that month. Such dues shall be deducted from the new employees' first pay period and forwarded with the next regular dues remittance to the Union.

4:06 Upon completion of ninety calendar days' employment, the Company shall deduct from the new employee the remaining levies, and initiation or reinstatement fees of the Union.

4:07 All deductions that are required under this Article shall be made in each calendar month the employee is employed by the Company.

The monies so deducted shall be forwarded by the Company to the Secretary-Treasurer of the Union once each month, accompanied by a statement listing the names of the employees and their Social Insurance Number, for who deductions were made and the amount of each deduction.

ARTICLE 5:00 HOURS OF WORK

5:01 Seven and one-half hours (7-1/2) shall constitute a day's work from 7:00 a.m. to 3:00 p.m. on the regular shift.

5:02 When two shifts are employed, the second shift shall immediately follow the first shift and shall be paid seven and one-half (7-1/2) hours pay for seven (7) hours work.

5:03 When three shifts are employed the third shift shall immediately follow the second shift and shall be paid seven and one-half (7-1/2) hours pay for six and one-half (6-1/2) hours work.

5:04 For the purpose of defining the work week, it shall be from 12:00 a.m. Sunday to 11:59 p.m. Saturday.

5:05 The starting time and lunch period may be changed by mutual consent.

5:06 (a) When an employee is required to change to the second or third shift it shall be for a maximum of four (4) weeks. Unless the job requires the specialized skills of an employee, then the change shall be for the duration of that job.

(b) When there is a requirement to hire additional employees for the afternoon shift it is understood that these employees shall remain on that shift with no change as set out in Section 5:06 (A) of this agreement.

5:07 Additional Shifts. If an employee is moved more than once from one shift to another shift and back to his original shift in one calendar week, he will be paid double rate for the balance of that week.

5:08 Compressed Work Week. A compressed work week of four (4) days per week equalling thirty seven and one-half (37.5) hours may be established by mutual agreement between the Company and the Union. In the event, hours in excess of thirty seven and one-half (37.5) are worked, then they would be paid at the applicable overtime rate.

5:09 When a compressed work week is being worked and a statutory holiday falls on a regularly schedule work day(s) off, then the following regularly scheduled work day(s) will be observed in lieu thereof unless varied by mutual consent. When a statutory holiday falls in the middle of a work-week, the Union and the Company shall mutually agree to the work schedule for that week.

ARTICLE 6:00 OVERTIME

6:01 Definition - Unscheduled overtime shall be defined as being overtime for which the employee receives no notice thereof until the last regularly scheduled shift which the overtime follows, or a call in without 7½ hours notice.

(a) Scheduled Overtime

When an employee is required to work in excess of the regular hours, Monday to Friday inclusive, he shall be paid overtime at the rate of time and one-half (1½) the regular hourly rate for the first two (2) hours of overtime. All additional hours shall be paid at double (2) the regular hourly rate.

(b) Work performed on Saturday, Sunday and recognized holidays shall be paid at double (2) the regular hourly rate.

(c) Unscheduled Overtime

An employee shall be paid overtime at the rate of double (2) the regular hourly rate for unscheduled overtime Monday to Friday.

(d) Compressed Work Week

If a compressed Work Week is scheduled and the work-week includes Saturday and/or Sunday, the applicable overtime rate shall be paid for all hours worked in excess of the shift schedule in place.

6:02 An employee shall have seven and one-half (7-½) hours rest between shifts. In the event that an employee is recalled to work before seven and one-half (7-½) full hours elapse, the employee shall be paid overtime at the rate of double (2) the regular hourly rate for work performed after recall. The employee shall be paid the applicable overtime rate until such time as the employee receives a 7.5 hour break between shifts.

6:03 (a) Employees called to work on Saturday, Sunday or a Recognized Holiday shall receive a minimum of four (4) hours pay at the prevailing overtime rate. All employees called to work after their normal shift hours during the week, shall be guaranteed three (3) hours pay at double time rates.

(b) When an employee who is on a Compressed Work Week schedule is called to work on scheduled days off and recognized holidays they shall receive a minimum of four (4) hours pay at the prevailing overtime rate.

6:04 Overtime shall be distributed equally among the employees in that particular job classification who have signified voluntarily that they wish to work overtime. The Shop Steward to be notified at least two (2) hours in advance by the Foreman of manpower requirements where possible.

6:05 **Banked Overtime**
Employees will have the option of banking overtime. Individual employees must declare their intentions for banked overtime as it is accrued. Overtime is to be banked at the appropriate corresponding rate. (either 1½ or 2 times rate) Banked overtime is not intended to be used for additional vacation time. It is to be used to cover sick time off or in periods of work shortages. It will be mutually agreed to by the employee and the Company. Banked overtime is to be paid out twice a year on May 31st and December 31st, in the pay period in which it falls.

The Company agrees to make the "banked hour" information available through the employee's supervisor.

ARTICLE 7:00 RECOGNIZED HOLIDAYS

7:01 The Company agrees to provide all employees with the following recognized holidays, without loss of pay providing he works the day previous and the day following such holiday, unless permission to be off has been granted by the Company.

1. New Year's Day	8. The First Monday in August (BC Day)
2. Family Day	9. Friday Before Labour Day
3. Good Friday	10. Labour Day
4. Easter Monday	11. Thanksgiving Day
5. Victoria Day	12. Remembrance Day
6. Canada Day	13. Christmas Day
7. Friday Preceding First Monday in August (BC Day)	14. Boxing Day

and any day or days so declared by the Federal or Provincial Governments. The Company shall pay 7.5 hours at straight time rates for each of the recognized holidays in the pay period in which they fall.

7:02 Employees required to work on these holidays shall receive double their regular rate of pay plus 7.5 hours of straight time pay for the holiday.

7:03 In the event that a recognized holiday falls on a Saturday and/or Sunday the said holiday shall be observed on the following Monday.

7:04 When the 25th or 26th of December falls on a Saturday and/or Sunday compensating normal week days will be observed immediately following the said holiday.

7:05 The period of time recognized as a holiday is the twenty-four (24) hours beginning at 7:00 a.m. on the day recognized as the holiday.

7:06 All new employees must have worked thirty (30) calendar days with the Company prior to being eligible for a recognized holiday.

ARTICLE 8:00 VACATIONS

8:01 2 weeks after 1 year of service at 4% of gross earnings

3 weeks after 2 years of service at 6.12% of gross earnings

4 weeks after 7 years of service at 8.33% of gross earnings

5 weeks after 12 years of service at 10.64% gross earnings

Vacation Pay shall be calculated at the applicable Vacation Percentage Rate and is to be paid on each pay period.. All Vacation Pay on overtime hours will be paid out in the pay period in which they were earned, at the applicable Vacation Percentage Rate. The employee has the option of directing Vacation Pay amounts to a separate bank account.

8:02 **Vacation Eligibility**
Vacation eligibility shall be calculated to the employee's anniversary date with the Company. Anniversary date is defined as the first day the employee begins work in the shop.

For the purpose of determining a calendar year's employment to qualify an employee for vacation eligibility, it is agreed that when an employee has worked a minimum of sixteen hundred sixty five (1665) hours in an employee's calendar year, running from anniversary date to anniversary date, the employee shall be eligible for vacations as set forth above. Holiday and Vacation hours shall be included in this calculation.

In any year where an employee has a WCB lost time injury, the time lost will still be credited toward service time to determine future vacations.

8:03 It shall be a violation of this Agreement for any employee to forego his vacation or work for wages during the vacation period.

8:04 The entitlements of an employee under this Article shall at no time be less beneficial than those he would be entitled to under the provisions of any Government legislation or any orders or regulations made thereunder.

8:05 When a recognized holiday falls within an employee's scheduled vacation, he shall receive the pay of a normal shift for the holiday in addition to his vacation pay, or a day off with pay in conjunction with his vacation.

8:06 Vacation time off, and durations of over 2 weeks at one time, shall be arranged by mutual agreement between the Company and the employee, with a maximum of 3 weeks at any one time.

ARTICLE 9:00 LEAVES OF ABSENCE

9:01 The Company agrees to grant leave-of-absence with pay to employees who are designated by the Business Manager of the Union to represent the employees in conference with management of the Company during working hours. This will apply up to and including contract negotiations and grievances, but will not include conciliation and arbitration. It is understood that during contract negotiations only one employee, who shall be selected by the Union, will be granted leave-of-absence with pay.

9:02 An employee who is required to attend a Union Convention or perform any other function on behalf of the Union, necessitating a leave-of-absence shall, upon reasonable application, be granted unpaid leave-of-absence by the Company without loss of seniority. It is also agreed that only two employees be absent at one time to attend such Union function.

9:03 **Jury Duty Pay**
If any employee is selected for Jury Duty, the Company shall grant the employee leave-of-absence with pay, which shall be the difference between his regular pay and monies received for Jury Duty for any employee who has six (6) months or more continuous service.

9:04 **Bereavement Pay**
On the death of a father, mother, spouse, common-law spouse, same-sex partner, brother, sister, child, mother-in-law, father-in-law, grandparents and grandchildren of an employee, the employee so affected shall be granted three (3) days leave-of-absence with pay, provided they are working days. If an employee does not attend or

arrange the funeral he shall be granted one (1) day leave-of-absence. In the event of a death of an uncle, aunt, niece or nephew, the employee will be granted, upon request, up to one day bereavement leave without loss of regular pay.

ARTICLE 10:00 WAGES

10:01 Classifications and wages shall be those agreed upon and set out in Appendices 'A' attached hereto and forming part of the Agreement.

10:02 **Pay Day**
Pay day shall be Thursday of each week. All payments shall be made to the employee by direct deposit to an account specified by them. It is the responsibility of the employee to advise the Company of any changes to their direct deposit accounts in writing a minimum of one (1) week prior to the next pay. Whenever pay day falls on a holiday the day before the holiday shall be considered the pay day. The weekly pay runs from Sunday to Saturday and employees will be paid for the week prior to the pay date. In the event that an employee is laid off, the Company shall pay such employee, not later than two (2) business days after the employee is laid off, all wages earned by such employee, excluding authorized deductions.

10:03 **Pay Statement**
The Company will issue to each employee, via email, a separate itemized pay statement with each pay showing separately the number of overtime hours worked and the respective hourly rate applicable thereon. The statement shall also show the total wages for the pay period and the total deductions therefrom.

10:04 An employee shall be required to fill out time slips daily, on Company time, if the Company so requests.

10:05 **Wages by Classification**
If an employee is assigned to a job in a higher classification than his regularly assigned job, he shall receive the rate of pay for such higher classification for the period of time he is assigned to the higher classification.

This clause shall not apply during an agreed training period.

ARTICLE 11:00 HEALTH & WELFARE & PENSION PLAN

11:01 The Company agrees to pay an amount equal to \$ 2.80 x 150 hours per month for each employee covered by this Agreement to cover the cost of the Boilermaker Shop Health and Welfare Plan. This payment to be paid in advance of the first working day of each month.

No payment will be made for the month in which an employee is hired and no additional payment will be required for overtime.

It is agreed that the Company shall pay to the Boilermakers' Health and Welfare Plan, premiums up to three (3) months while an employee is on weekly indemnity, and for the duration of the claim on Compensation claims, and one month immediately after the month of layoff.

11:02 Lodge 359 Shop Pension Plan

Three dollars (\$3.00) per hour for each hour worked shall be contributed by the Company to the Boilermakers' Trust Fund or to such other person or corporation in trust as the parties hereto may agree from time to time, in writing, on behalf of every employee covered by this Agreement. Payment shall be made by the Company directly to the Fund by the fifteenth (15th) day of the month following the month that such contributions cover, provided that an additional period up to a further fifteen (15) days may be granted by the Trustees if they deem it advisable.

It is understood that Pension Contributions will be included on pay for all Statutory Holidays and paid vacation hours. The contributions on all paid Vacation hours will be made in January of each year and will be based on the Vacation eligibility of each employee for that calendar year. This amount will not be refunded to the Company if an employee ceases employment at any time during the same calendar year.

Such payment by the Company shall be accompanied by such statement as may be required by the Trustees. The complete policies, management and control of this Plan will be in the hands of the Trustees.

It is understood and agreed that the contributions to the Boilermakers Pension Trust Fund shall be in addition to the compulsory Canada Pension Plan contributions which are required by law.

Employees will have the option of making extra voluntary contributions to the Shop Pension Plan, which will be remitted by the Company to the Shop Pension Plan. Company must be notified January 1 of each year of the amount, this amount will be deducted for the full year by the Company. Voluntary amount will be the same for all contributing employees.

ARTICLE 12:00 SENIORITY

12:01 The principle of seniority shall govern layoffs and rehire. The Company shall give first consideration to those employees with the greater length of service subject to the following conditions:

12:02 An employee shall not be entitled to seniority rights until he has been continuously employed for a period of six (6) months and then his

seniority shall date back to the time of hiring. It is recognized by both parties that the purpose of the probationary period is to allow the Company to assess an employee's suitability for employment.

Field Boilermakers hired on a temporary basis per project shall not be entitled to seniority rights.

- 12:03 In cases of increasing or decreasing work force, the Company shall practice and apply the principal of seniority rights by departments, and/or classification of work. It is recognized that skill, efficiency and good conduct must also be taken into account when layoffs and rehires are necessary. Seniority may be superseded for employees on WorkSafe graduated return to work programs.
- 12:04 An employee shall not suffer loss of seniority because of absence due to sickness, accident, or otherwise, if such absence is approved or authorized by the Company. If an employee finds that he is unable to report for work, he shall notify the Company at or before shift start.
- 12:05 During a prolonged absence from work due to an accident or injury, covered by Workers' Compensation, an employee will continue to accrue seniority for a period of time provided that he will not continue to accrue seniority after the date at which he would normally have been laid off if he were at work.
- 12:06 An employee shall continue to accrue seniority if off on non-compensable sickness for a period of six (6) months unless he would have normally been laid off before the six month period.
- 12:07 An employee who has seniority shall maintain his seniority on layoff up to a period of one (1) year provided the employee accepts employment on recall.
- 12:08 Employees on the seniority list with twelve (12) months or more of seniority will, if recalled to work, be guaranteed a minimum of three (3) days work, or pay equivalent thereto.
- 12:09 The Chairman of the Shop Committee (Shop Steward) shall be given a list of those members to be laid off prior to the time of layoff. "Prior" shall mean reasonable time for the Shop Committee to ensure the conditions of this Agreement are complied with.
- 12:10 Seniority will be cancelled if an employee:
- (a) voluntarily quits his job.
 - (b) fails to report for work within three (3) days after receipt of a registered letter recalling him to work;
 - (c) is discharged and not reinstated under the terms of this agreement;
 - (d) is on layoff for a period in excess of one (1) year.

12:11 Plant Closure

In the event of a complete plant closure, all employees covered by this agreement shall be entitled to a length of service payment in accordance with the Employment Standards Act Part 8, Section 63 (1) (2).

ARTICLE 13:00 SHOP COMMITTEE

13:01 The importance of the Union maintaining at all times a Shop Steward consisting of qualified employee of the Company familiar with plant conditions, be recognized.

13:02 The selection of the Shop Steward is recognized as a function of the Union. The Company agrees that the Shop Steward shall not suffer any discrimination by reason of holding such office. It is deemed important that, in the event of a layoff, they shall be the last man in their classification to be laid off. It will be his duty to assist the Company and the Union members in carrying out the provisions of this Agreement.

13:03 The Shop Steward or his designated alternate shall act on a Safety Committee.

ARTICLE 14:00 SAFETY AND HEALTH

14:01 The Company will supply suitable accommodations where employees may have their lunch and change rooms.

14:02 Adequate washroom facilities shall be provided by the Company and kept in sanitary conditions. Employees will co-operate by observing the simple rules of cleanliness.

14:03 The Company agrees to supply working gloves or mitts to all employees as required. The Company will also furnish dark or clear flash glasses and safety glasses to employees.

14:04 The Company will provide and maintain adequate heat in the shop(s) during any cold weather periods.

14:05 (a) Any employee suffering injury on the job must report immediately to the First Aid Department (Attendant) or as soon thereafter as possible and also report to his Foreman.

(b) Injured Employee - Daily Earnings
Employees involved in time loss accidents while on the job shall receive seven and one-half (7-1/2) hours pay at his classified rate for the day of the accident. If an employee is required to take time off while on the job to consult a doctor with regard to any compensable injury he has received on the job, he shall be paid for time off provided a doctor's letter

or note is supplied and he returns to complete the day's work, if practical.

- 14:06 All employees, as well as the Company, shall observe the simple rules of good housekeeping and sanitation.
- 14:07 It is recognized and agreed that safety of employees is the mutual responsibility of the employees and the Company and that the Safety Committee should devise plans for the furtherance of safety measures including recommendations and, if necessary, recommendations of a disciplinary nature for the enforcement of such safety measures.
- 14:08 The Foreman shall sign a safety slip before any employee proceeds to work on any vessel or tank which has contained explosive or inflammable materials.
- 14:09 The Company shall furnish all rubber gloves, rubber aprons, rubber boots, and respirators; and make available eyewash and acid neutralizer when the nature of the job requires their use.
- 14:10 The Company shall supply coveralls to shop members in good repair and of suitable fitting which shall be cleaned once a week at no expense to the employee.
- 14:11 Employees working alone
No employee covered by this Agreement shall be required to work on the tools alone on any shift or any overtime work.
- 14:12 Cleanup time
Employees will be allowed five (5) minutes personal cleanup time at the end of each shift.
- 14:13 The Company shall reimburse to all employees one hundred and twenty-five dollars (\$125.00) toward the actual purchase upon receipt for safety toe work boots once per calendar year after six (6) months of consecutive service. It shall be a requirement that all employees have proper safety toe work boots to work in this shop.
- Boot Allowance of \$125.00 may be accrued into the second calendar year for a total of \$250.00 to buy a quality, long lasting boot.
- 14:14 Ear Plugs
Employees will be supplied with form fitted ear plugs after six (6) months of employment.

14:15 The Company will pay one hundred (\$100.00) dollars for prescription safety eyeglasses once per calendar year upon receipt of doctor's approval and receipt for lenses. Allowance may be accrued into the second calendar year for a total of \$200.00.

Management has the right to request an individual have their eyes tested. If requested time required is paid for as if employee is working.

ARTICLE 15:00 GENERAL PROVISIONS

15:01 Tools and Tool Storage
Tools and tool boxes (lockable) shall be supplied by the Company at no cost to the employees, with the understanding that all tools will be used and maintained in a proper manner.

Worn out or broken tools shall be returned to the tool room in order to receive replacements.

15:02 When the Company finds it necessary to layoff or discharge a Shop Steward, the Business Manager of the Union shall be notified prior to such layoff or discharge.

15:03(a) Overtime Meal
When an employee is required to work unscheduled overtime of more than two (2) hours beyond quitting time of his regular shift, a hot meal shall be provided immediately after the conclusion of the two (2) hour time period with thirty (30) minutes for the meal break which shall count as overtime worked. In lieu of the hot meal, a \$ 25.00 allowance may be paid at the option of the majority of employees working the overtime.

Unscheduled overtime shall be defined for the purposes of this section as being overtime for which the employee receives no notice thereof until the last regularly scheduled shift which the overtime follows.

On scheduled overtime the Company is not obligated to supply a hot meal or allowance. However the thirty (30) minutes for the meal break shall count as overtime worked.

Where an employee continues to work overtime he shall be entitled to an additional meal or allowance and meal break every four (4) hours after the first break and all such meal breaks shall count as overtime worked.

15:03 (b) It is agreed that, when possible, the Company will notify employees who have agreed to work over the regular shift at least two (2) hours before the end of their shift.

15:03 (c) Emergency Overtime
When parts must be fabricated in limited time (I.E.) to catch a ferry, flight, truck etc. Breaks and meals may have to be rescheduled until after completion/delivery of the parts. The employee will be fully reimbursed for any meals or breaks missed.

15:04 Employees shall take orders from the Manager or Superintendent only when their immediate Foreman or Charge Hand are absent from the shop. However, should management require an engineer, or specialist, the shop members when directed by their immediate supervisor will take instructions or directions from said people.

15:05 When employees are notified seven and one-half (7 ½) hours prior to the commencement of their regular shift not to report for work, there shall be no wages paid. When employees are not notified seven and one-half (7 ½) hours prior to the commencement of their regular shift and do report for work and are sent home, they shall be paid two (2) hours wages at straight time pay with the exception of Saturdays, Sundays, and/or Recognized Holidays which shall be paid at prevailing overtime rates.

When employees have commenced working and are sent home prior to a lunch period, they shall receive four (4) hours wages at straight time rates with the exception of Saturdays, Sundays and/or Recognized Holidays which shall be paid at the prevailing overtime rates. Employees who start work after the lunch period and are sent home shall be paid for three and one-half (3-½) hours at straight time rates except on Saturdays, Sundays and/or Recognized Holidays which shall be paid at prevailing overtime rates.

15:06 The Company shall inform the Shop Stewards of all new job openings so that the shop members may have the first opportunity to apply, providing in the opinion of the Company, the member has the necessary qualifications. Availability of such openings will be posted for a period of three working days.

15:07 Welding Tests

(a) Company Welding Qualifications Test
Employees will be allowed sufficient practice time to prepare for those qualification tests. In the event an employee fails two (2) Company procedure tests, they may be required to take some upgrading at their own expense before being allowed to test again.

(b) Pay for Welding Test
New hires, upon successful completion of initial welding tests, will be paid for time taken for the actual tests.

15:08 Training and Upgrading

The Company shall provide the use of facilities, equipment, tools and materials for the use of its employees to upgrade their skills and to practice. Those employees who wish to upgrade shall do so on their own time.

ARTICLE 16:00 GRIEVANCE PROCEDURE

16:01 Any dispute under this Agreement shall be settled under the Grievance Procedure as set out and provided for in the Industrial Relations Act of B.C. "Grievance" means any differences between the parties bound by this Agreement concerning the interpretation, application, operation, or alleged violation thereof, and "Party" means one of the parties to this Agreement.

16:02 All grievances shall be finally and conclusively settled without stoppage of work in the manner following:

- (a) To solve a grievance, an employee shall first, with his Shop Steward discuss it with his Foreman or Supervisor.
- (b) Failing settlement within three (3) days of a grievance under Clause 'A' the particulars shall be set forth in writing by the party and processed with an official of the Company.
- (c) Failing settlement within three (3) days under Clause (b) it shall then be processed by an officer of the Union with an official of the Company.
- (d) If the grievance is not resolved pursuant to Clause (c), within seven (7) days, or such longer term as the parties agree to, then it shall be referred to an Arbitration Board of three (3) persons as follows:
 - 1. The party desiring the arbitration shall appoint a member for the Board and shall notify the other party of its appointment and particulars of the matter in dispute.
 - 2. The party receiving the notice shall within five (5) days thereafter appoint a member for the Board and notify the other party of its appointment.
 - 3. The two arbitrators so appointed shall confer to select a third person to be Chairman and, failing to agree within three (3) days of a person willing to act, either of them may apply to the Industrial Relations Board to appoint such a third member.

The Arbitration Board shall sit, hear the parties, and make its award within ten (10) days from the date of appointment of the Chairman,

provided the time may be extended by agreement of the parties. The Board shall deliver its award to each of the parties and the award of a majority of the Board shall be the award of the Board and shall be final and binding upon the parties and they shall carry it out forthwith.

16:03 Each party shall pay its own cost and expenses of arbitration; the remuneration and disbursements of its appointee to the Board, and one-half (1/2) of the compensation and expenses of the Chairman and of the stenographer and other expenses of the Board.

ARTICLE 17:00 TECHNOLOGICAL CHANGES

17:01 In the event the Company proposes the introduction of equipment in its operation requiring specialized training, the Company agrees to give first opportunity to employees then on the payroll through the job posting procedures of this Agreement, to operate this equipment and/or train to operate the equipment, provided such employee has the necessary potential to fill the position. The Company further agrees to notify the Union as soon as the final decision is made as to the introduction of new equipment.

17:02 It is agreed that when an employee is displaced by reason of technological change the displaced employee shall receive two (2) weeks pay for each year or part thereof of service with the Company.

17:03 Any dispute arising out of technological changes shall be settled through the grievance procedures set forth in this Agreement.

ARTICLE 18:00 SAVING CLAUSE

18:01 No provisions of this Agreement shall be used to remove working conditions or reduce wages presently in force.

18:02 Should any part thereof or any provision herein contained be rendered or declared invalid by reason of any existing or subsequently enacted legislation, or by a decree of a court competent jurisdiction, such invalidation of such part or portion of this Agreement shall not invalidate the remaining portions hereof and such remaining portion shall continue in full force and effect.

18:03 **Non-Bargaining Unit Employees**
No employee outside the Bargaining Unit will use hand tools or do work which is normally done by employees of the Bargaining Unit except when instructing or training employees or in the development of new pieces of equipment or in an emergency beyond the control of the Company. Such work shall not displace or replace any member of the Bargaining Unit.

18:04 Work retention and Sub-Contracting
The Company shall continue to use outside contractors but shall, wherever practicable, have such work performed by employees within the bargaining unit, provided they have the necessary skills.

18:05 Picket Line
It shall not be considered a violation of this Agreement for an employee to refuse to cross a picket line which has been established as a result of a bona fide labour dispute between a recognized Trade Union and an Company with whom the picketing Union has a dispute.

ARTICLE 19:00 DURATION OF AGREEMENT

19:01 This Agreement shall be effective from June 1, 2014 and continue in full force and effect until May 31, 2017 and continue in effect thereafter from year to year unless written notice of intent to terminate or amend the Agreement is received sixty (60) days prior to the Anniversary Date,

19:02 Within ten (10) days after receipt of any notice given pursuant to this Article by either party, the parties of this Agreement shall commence negotiations. During the period of negotiations, this Agreement shall continue in full force and effect.

19:03 It is mutually agreed by the parties hereto specifically to exclude from this Agreement the provisions of Section 50 (2) of the British Columbia Labour Relations Code, and it shall not be applicable to this Collective Agreement.

ARTICLE 20:00 ENABLING PROCEDURE

Where a particular Article or Articles of this Collective Agreement is on, or found to work, a hardship for a particular project or specific area, the terms and conditions of this agreement for that project or specific area, may be modified by the mutual consent of the Union and the Company when they deem it prudent. It is understood and agreed that where mutual agreement for such change cannot be achieved, then request shall not be subject to either grievance or arbitration.

SIGNED ON BEHALF OF:

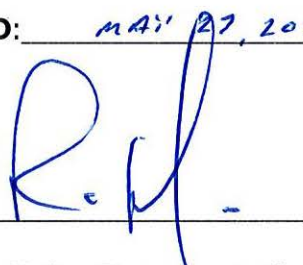
THE UNION:

**INTERNATIONAL BROTHERHOOD OF
BOILERMAKERS, IRON SHIP BUILDERS
BLACKSMITHS, FORGERS AND HELPERS
LODGE 359**

THE COMPANY:

IST BOILER COMPONENTS INC.

DATE SIGNED: MAY 27, 2014



**Rob Kappel
Boilermakers Union Representative**



**Chris Ritchie
VP – Finance & Administration**



**Gavin Burgess
Boilermakers Union Shop Steward**

APPENDIX "A"

WAGES

GROUP CLASSIFICATIONS	JUNE 1, 2014	JUNE 1, 2015	JUNE 1, 2016
J/M Fabricator J/M Welder Level A Min. Standard Performance & Procedure Test Qualified Machine Op. (Tube Bender)	\$40.87	\$41.69	\$42.73
Back Up Machine Operator 'B' Level Welder	\$33.81	\$34.49	\$35.35
Machine Operator General 'C' Level Welder	\$30.29	\$30.90	\$31.67
Helper	\$24.64	\$25.13	\$25.76
New Helper (0-6 Months)	\$17.40	\$17.75	\$18.19

Foreman to receive not less than 10% over Fabricator's Rate.

Chargehand to receive not less than 6% over Fabricator's Rate. Not Classifications.

Lead Hand to receive not less than 4% over Fabricator's Rate. Not Classifications.

If at some future date, new classifications or training programs are required, the Union and the Company shall negotiate appropriate wage rate for that Classification.

First Aid – the Company will pay two employees - based on ability first and seniority second to carry on duties of First Aid.

Level I - \$ 0.30 / hour

Level II - \$1.00/hour

Effective June 1, 2014

Letter of Understanding #1

Between: **IST Boiler Components Inc.**

And: **International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers & Helpers, Lodge 359**

Reference: 2014-2017 Collective Agreement- Phase In For Vacation Pay To Be Paid On Each Pay Period.

This Letter of Understanding is to facilitate the changes made to Articles 8.01, 8.02, and 11.02 in the 2014-2017 Collective Agreement and will be in effect upon ratification of the 2014-2017 Collective Agreement.

The phase in period described below is to implement changes to the newly agreed practice of paying Vacation Percentages on each pay period. These changes will take place beginning June 1, 2014 upon ratification of the 2014-2017 Collective Agreement.

- All employee Vacation money currently accrued for 2014 Vacation time, and based on the employee's 2013 gross pay, will be paid out as per past practice for the remainder of the 2014 calendar year, including the Pension Contributions stated in Article 11.02 of the 2011-2014 Collective Agreement.
- All Vacation monies owed to each employee, based on their gross pay between January 1st, 2014 and May 31st, 2014 will be paid in a lump sum payment on the second pay period after June 1, 2014, being June 19th, 2014.
- Beginning on June 1st, 2014 all Vacation money for each employee, based on Article 8.01 of the new 2014-2017 Collective Agreement, will be paid on each pay period. The employee will have the option of the Company directing these payments into a separate bank account, using Direct Deposit.
- Beginning January 1st, 2015 all Pension amounts owed on an employee's eligible Vacation Hours (Articles 8.01, 11.02) for the calendar year shall be paid by the Company to the Pension Administrator on the first Pension Remittance in January of every year. These contributions are non-refundable if an employee ceases to be employed for the Company for any reason. All new hires within a calendar year will have their contributions made on the first Pension Contribution date after their probation period, and be based on their Vacation eligibility for that year.

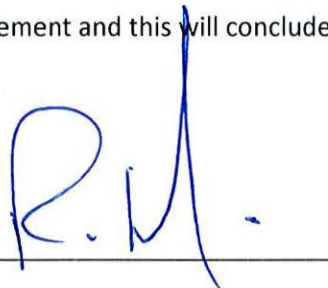
After Jan 1st, 2015 all payments will be per the 2014-2017 Collective Agreement and this will conclude the "phase in" period of the changes stated above.

DATE: MAY 27, 2014



Company Representative

Chris Ritchie



Union Representative

Rob Kappel