

THIS AGREEMENT entered into this 1st day of April, 2014.

BETWEEN:

ADVANCED ELECTRICAL SYSTEMS LTD.

P.O. Box 3130
Kamloops, British Columbia
V2C 6B7

(hereinafter referred to as the "Employer"
or the "Company")

AND:

**CANADIAN IRON, STEEL AND INDUSTRIAL
WORKERS' UNION, LOCAL 1**

P.O. Box 19674
RPO Centre Point Mall
Vancouver, BC V5T 4E7

(hereinafter referred to as the "Union")

WHEREAS the Employer and the Union are desirous of entering into a Collective Agreement;

AND WHEREAS the Employer and the Union desire to establish and maintain conditions which will promote an harmonious relationship between the Employer and the employees covered by this Agreement;

AND WHEREAS the parties desire to provide methods of fair and amicable adjustments of disputes which may arise between them;

AND WHEREAS the Union confirms that a majority of the employees in the bargaining unit have ratified this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein set forth, and the mutual benefits likely to be obtained by harmonious relations between the Company and the Union, the parties hereto mutually covenant and agree as follows:

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ARTICLE 1 - PURPOSE

- 1.01 The purpose of this Agreement is to establish and maintain an orderly collective bargaining relationship between the Company and its employees, to set forth all agreements concerning rates of pay, hours of work and working conditions to be observed by the parties hereto, and to provide an amicable method of settling any differences that may arise in the interpretation, application, administration or alleged violation of the Agreement.

ARTICLE 2 - SCOPE AND RECOGNITION


- 2.01 The Company recognizes the Union as the sole bargaining agent for all hourly paid employees excluding general foremen and superintendents.
- 2.02 Employee or employees wherever used in the Agreement shall mean respectively an employee or employees in the bargaining unit described in Article 2.01.
- 2.03 A committee consisting of a Union representative and three (3) employees shall conduct any negotiating required between the parties.
- 2.04 The Union, in conjunction with the Employer, may determine on a project by project basis whether special dispensation is required to become competitive or that members have specific concerns not addressed herein and should the necessity arise, may by mutual agreement in writing, add, amend or delete any terms or conditions of the Agreement for the length of the job.

ARTICLE 3 - UNION SECURITY

- 3.01 All employees covered by this Agreement must make application to become members in good standing of the Union and the Union agrees to issue membership.

All new employees covered by this Agreement must apply to become members and must maintain membership in good standing in the Union as a condition of employment, within forty-five (45) working days of the date they commenced.

- 3.02 Upon written authorization from each employee, the Company agrees to

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deduct from the first pay of each month, from the earnings of every employee covered by this Agreement, a sum equal to the monthly dues set forth herein and remit same to the Financial Secretary of the Union not later than the fifteenth (15th) of the month in which the deduction is made, with a list, in duplicate, of the names of the employees to whom said monies are to be credited. Should any employee have no earnings due him or her on the first (1st) day of any month, such deduction shall be made from the next succeeding pay of the employee in question. Upon receipt of such deduction and list, said Financial Secretary shall receipt and sign one copy of the list and promptly return same to the Company. The monthly Union dues are an amount equal to one and one-quarter (1-1/4) hours of pay received by each employee to whom this Agreement is applicable (it being understood that any employee who receives forty (40) hours pay or more in any month shall have full dues deducted). Such dues shall not be changed except in accordance with the provisions of the Constitution and By-laws of the Union, and in such event, said Financial Secretary shall notify the Company in writing.

- 3.03 The Union agrees to indemnify and hold the Company harmless against any claims, lawsuits or charges brought against it by an employee as a result of deduction of dues in accordance with this Article.
- 3.04 The Union recognizes the right of the Employer to hire whomever it chooses subject to the re-engagement right in Article 9.01. The Employer may, however, give the Union the opportunity to refer suitable applicants for employment beyond the employees specifically listed above, when required, and if the Union cannot supply a fully qualified and suitable applicant within twenty-four (24) hours of the request, the Employer may hire elsewhere. In the event that the Union refers an employee who subsequently turns out to be unqualified or unsuitable, then the Employer may reject and terminate the said employee without recourse
- 3.05 All new employees are subject to a thirty (30) working day probationary period within any six (6) month period. During any probationary period, the Company may discharge the employee if it considers the individual to be unsuitable, to be not properly qualified, or if the individual's performance is found to be unsatisfactory. The Company's decision must be made in good faith and cannot be wholly arbitrary or wholly discriminatory. The scope of an arbitrator's review in cases involving the dismissal or discipline of a probationary employee shall be limited by this provision.

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ARTICLE 4 - MANAGEMENT RIGHTS

- 4.01 The Union acknowledges that all management rights and prerogatives are vested exclusively with the Company except as specifically limited by the provisions of the Agreement and, without limiting the generality of the foregoing, it is the exclusive function of the Company:
- (a) to maintain order, discipline and efficiency, and in connection therewith to establish and enforce reasonable rules and regulations;
 - (b) to hire, transfer, lay off, recall, promote, demote, retire, classify, assign duties, dismiss, suspend or otherwise discipline employees; and
 - (c) to determine the method of operation, the amount of supervision, the schedules of work, the rotation of shifts, the hours and days of work, and the number of employees required at any time.

The Company reserves any and all of its prior rights which have not been modified, limited, restricted or released by specific wording elsewhere in this Agreement.

ARTICLE 5 - UNION REPRESENTATION

- 5.01 A Shop Steward shall be recognized by the Company, and shall not be discriminated against with respect to carrying out their lawful duties as a Shop Steward. The Company shall be notified by the Union of the name of the Shop Steward. The Company agrees to provide reasonable time to the Shop Steward to carry out his lawful and reasonable duties.
- 5.02 The Company agrees to allow Union representatives reasonable access to the Company's work premises, subject to restrictions of the Contractor and/or Owner, provided that the request for such entry has been made to the Company and permission is granted by the Company prior to entry. That permission shall not be unreasonably withheld. The Union representatives shall not in any way interfere with the normal operations of either the Company, the Contractor, or the Owner.
- 5.03 Bulletin Board: The Union will have use of one bulletin board provided by the Company at its offices for the purposes of posting official Union notices that have been approved by the Company and which may be of interest to employees of the Company. Such material may be posted only on the

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authority of the Shop Steward or Union official.

ARTICLE 6 - GRIEVANCE PROCEDURE

- 6.01 A Shop Steward shall be elected by the employees from among members employed by the Company.
- 6.02 The Shop Steward shall constitute the Shop Committee. In the absence of the Shop Steward, another employee shall constitute the Shop Committee. The Shop Steward shall not be discriminated against for performing duties as hereinafter provided for. The Union shall notify the Company within fifteen (15) days after the signing of this Agreement of the names of its members who are appointed as Shop Stewards and shall within fifteen (15) days notify the Company when changes occur. The Company shall notify the Union within fifteen (15) days after the signing of this Agreement of the names of Foremen whom the Steward should contact when seeking information or in connection with adjustments of disputes that may arise. The Company shall within fifteen (15) days notify the Union when changes occur. In performance of their duties in connection with adjusting grievances, the Shop Stewards, if required to leave their jobs, must first obtain permission from their Foreman.
- 6.03 Grievance as used in this Agreement is a complaint or unsatisfied request involving any matter relating to wages, hours or working conditions, including questions of interpretation or application of, or compliance with, the provisions of this Agreement.
- 6.04 The Company, employee or Union must present all grievances within ten (10) working days from the date there is evidence of a grievance having occurred. Failure to do so shall mean the grievance is abandoned. The procedure for the adjustment of a grievance shall be as follows:

STEP 1: Any employee who believes that he has a justifiable complaint or unsatisfied request may discuss the matter with his Foreman, with the Steward present. At this stage the employee must clearly state that he is initiating Step 1 of this Grievance Procedure. The Foreman shall give his reply within two (2) working days, or at a time mutually agreed upon.

STEP 2: Should the employee be dissatisfied with the Supervisor's disposition of such complaint, the grievance may be referred to the General Foreman. At this step the grievance shall be reduced to writing, giving all particulars including the applicable Article of the Agreement if

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interpretation or alleged violation of the Agreement is involved. The General Foreman will answer the grievance in writing within five (5) working days, or at a time mutually agreed upon. (Where the employee's Foreman does not report to a General Foreman, then the employee's Foreman will handle Step 2.)

STEP 3: If no settlement is reached in Step 2, the grievance may be referred to the Manager of the Company or in his absence his representative. The Manager will answer the grievance in writing within five (5) working days or at a time mutually agreed upon.

- 6.05 Grievances not processed from one Step to another within five (5) working days shall be deemed to be settled on the basis of the last written reply to the Grievor. Failure to reply to the grievance within the agreed time limit shall mean that the grievance is conceded.
- 6.06 All settlements arrived at under this Article shall be final and binding upon the Company, the Union and the employees or group of employees concerned.
- 6.07 The Union or the Company shall have the right to initiate a group grievance or a grievance of a general nature at Step 3, Subsection 6.04.
- 6.08 Insofar as possible, all grievances and disputes not settled as provided for in Step 1 of this Article shall be taken up on some one day of each week to be mutually agreed upon. Grievances necessitating immediate action shall be handled during working hours without loss of pay to the Shop Committee.
- 6.09 The Shop Stewards provided for and mentioned in this Article 6 shall have and possess power and authority to act for and bind the Union only in connection with those functions, rights, obligations and matters provided for in this Agreement. They shall not have, or be deemed to have, any other authority to act for or bind the Union.

ARTICLE 7 - ARBITRATION

- 7.01 Any differences or disputes between the Company and the Union, or between the Company and an employee or employees, relating to the interpretation, application, administration or alleged violation of this Agreement, including any question as to whether or not a matter is arbitrable, that has not been satisfactorily settled pursuant to the grievance procedure as set forth in the preceding section of this Agreement shall upon

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the written request of either party, which request must be made within fifteen (15) calendar days after the dispute in question has been processed pursuant to Step 3 of Section 6.04 of the preceding Article of this Agreement, be submitted to an Arbitrator. The Arbitrator shall be an impartial individual, knowledgeable of the construction industry, and his or her selection shall be approved by both parties.

The Arbitrator shall hear and determine the difference or allegation and shall issue a majority decision in writing, which decision shall be final and binding upon the parties and upon any employee affected by it. The Company, the Union and the employees covered by this Agreement shall do or refrain from doing anything required of them by the decision of the Arbitrator. The expense of the Arbitrator shall be borne equally by the Company and the Union.

- 7.02 The foregoing provisions for arbitration are not intended and shall not be construed as in any way qualifying or making subject to change, any term or condition of employment specifically covered by this Agreement, nor shall the Arbitrator have any authority to alter or change any of the provisions of this Agreement, or substitute any new provisions in lieu thereof, or make any decision inconsistent with the terms and provisions of this Agreement. It is expressly understood and agreed that the foregoing provisions for arbitration shall not apply to any dispute as to terms or provisions to be incorporated in any proposed new agreement between the parties. Any dispute between the parties as to the interpretation or construction to be placed upon the award made as hereinabove provided for shall be submitted to the Arbitrator who made the award, who may thereupon construe or interpret the award so far as necessary to clarify the same, but without changing the substance thereof, and such interpretation or construction shall be binding upon all parties.

ARTICLE 8 - NO STRIKE - NO LOCKOUT

- 8.01 The Company agrees that it will not cause or direct any lockout of its employees for the duration of this Agreement. The Union agrees that neither it nor its representatives will, during the term of this Agreement, authorize, call, cause, condone, or take part in any strike, picketing, sit-down, stand-in, slow-down or curtailment or restriction of or interference with work in or about the Company's plant, premises, or places of work. The Union further agrees that any employee or employees participating in, taking part in, instigating or assisting in instigating such strike, picketing, sit-down, stand-in, or curtailment or restriction of production or

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interference with work in or about the Company's plant, premises, or places of work, for the duration of this Agreement, shall be subject to discipline or discharge. The term "slow-down" shall mean a condition of willful restriction or reduction of production by an employee which is within such employee's reasonable control. No employee shall be disciplined for refusing to cross a legal picket line.

ARTICLE 9 - RE-ENGAGEMENT

- 9.01 The Company will make a reasonable effort to re-engage those employees on layoff who have previously been employed by the Company for more than sixty (60) working days by either a telephone call to their last known telephone number or by a registered letter to their last place of residence on the records of the Company. Where the Company requires employees within seven (7) days, it will not be required to follow the provisions of the previous sentence.
- 9.02 A right to re-engagement under Article 9.01 shall be automatically terminated if the employee:
- (a) quits; or
 - (b) is discharged, and not reinstated in accordance with the provisions of this Agreement; or
 - (c) is absent from work for three (3) or more consecutive days without notifying the Company, unless he gives reasons satisfactory to the Company for his failure to so notify; or
 - (d) is absent from work due to illness or injury for a period of twenty-six (26) weeks or less without providing the Company with a medical certificate from a qualified medical practitioner upon his return to work, certifying that the employee was incapable of working due to such illness or injury for a specified period of time which coincides with his absence from work; or
 - (e) is laid off for a period in excess of six (6) months; or
 - (f) is absent due to illness or injury for a period in excess of twenty-six (26) weeks; or
 - (g) fails to return to work within two (2) days after being given notice of

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recall; or

- (h) works for another employer while absent from his employment with the Company, except while on layoff; or
- (i) uses an authorized leave of absence for a purpose other than that for which the leave was granted; or
- (j) fails to return to work upon the expiration of an authorized leave of absence or vacation unless a reason satisfactory to the Company is given; or
- (k) fails to perform to the expectations of the Company.

ARTICLE 10 - LEAVE OF ABSENCE

10.01 The Company may grant a leave of absence to an employee without pay for a period not exceeding thirty (30) days provided that:

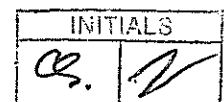
- (a) the employee gives notice in writing to his Supervisor of his request for a leave of absence at least thirty (30) days prior to the proposed commencement of the leave of absence (except in the case of an emergency); and
- (b) in the judgment of the Company, the proposed leave of absence can be arranged without undue inconvenience to normal operations.

10.02 Applicants must indicate, on forms provided by the Company, the reason(s) for their leave of absence and the expected dates of departure and return when giving notice of their request for a leave of absence.

10.03 The Company shall notify in writing both the applicant and the Union of its decision within fourteen (14) days after the request is made by the employee to the Company.

ARTICLE 11 - LEAVE OF ABSENCE FOR UNION BUSINESS

11.01 The Company may grant a leave of absence without pay to not more than two (2) employees, for a combined total period not exceeding thirty (30) days in any calendar year, to represent the Union at Union conventions, seminars and education classes provided the Company is given thirty (30)



days advance notice in writing by the Union and, in the judgment of the Company, such leave of absence can be arranged without undue inconvenience to normal operations.

- 11.02 The Company may grant a leave of absence without pay to not more than one (1) member of the grievance committee for the purpose of preparing for arbitration under Article 7 or other Union business provided the Company is given at least two (2) days advance notice in writing by the Union.
- 11.03 The Company may grant a leave of absence without pay to members of the Union's negotiating committee for purposes set out in Article 5.02 provided the Company is given at least two (2) days advance notice in writing by the Union.

ARTICLE 12 - HOURS OF WORK AND OVERTIME

- 12.01 The standard hours of work for which each employee shall receive his regular basic hourly rate shall be eight (8) working hours in a day and forty (40) working hours in a week.
- 12.02 For the purpose of Article 12.01 a day shall commence at the start of an employee's shift and shall end twenty-four (24) hours later. A week shall commence at 12:01 a.m. Sunday and end at 12:00 midnight on Saturday.
- 12.03 If the Company decides to work two (2) shifts per day with the second shift commencing in the afternoon, the employees on the shift commencing in the afternoon will be paid for eight and one-half (8-1/2) hours at the regular basic hourly rate in case of an eight (8) hour shift.
- 12.04 An employee who works more than four (4) hours in a day shall be entitled to a thirty (30) minute unpaid meal period and two (2) ten minute coffee breaks at mutually agreeable times during such day. An employee who works four (4) hours in a day shall be entitled to one (1) ten (10) minute coffee break during such day at a mutually agreeable time.
- 12.05 The Company does not guarantee to provide work for any employee nor to maintain the work week or hours of work at any time in effect.
- 12.06 The Company may change work schedules from time to time by giving twenty-four (24) hour notice of such change.
- 12.07 All hours worked in excess of the eight (8) hours in a day or forty (40)

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hours in a work week in the case of the standard hours of work referred to in Article 12.01 or ten (10) hours in a day or forty (40) hours in a work week in the case of a ten (10) hour per shift schedule shall be paid at the rate of one and one-half (1-1/2) times the employee's regular basic hourly rate. In the case of a seven (7) day per week schedule, overtime for employees working Friday to Sunday, ten (10) hours per day will be calculated after thirty (30) working hours.

- 12.08 The Company and the Union agree that each employee covered by the collective agreement may work additional hours per week at straight time rates. All such catch-up hours in addition to the forty (40) hour work week shall be worked on a strictly voluntary basis, and only with the prior approval of the Company.
- 12.09 Time allowed as overtime in any work day shall not again be allowed as overtime in the work week. In no case shall an employee be entitled to more than one and one-half (1-1/2) times his regular basic hourly rate for any overtime worked.
- 12.10 Each employee is expected to work a reasonable amount of overtime if requested to do so by the Company and the employee is available to perform such work. An employee who works overtime shall not be required to take time off one (1) or more of his scheduled days of work to offset the work performed at the overtime rate, except by mutual agreement between the Company and the employee.
- 12.11 The Company shall endeavor to distribute overtime equitably among qualified employees except where in the Company's opinion it is not practical to do so.
- 12.12 An employee who reports for work as scheduled is entitled to two (2) hours' pay if no work is available and he has not been advised in advance, except in cases beyond the Company's control or when an employee has been absent on his immediately preceding scheduled work day.

ARTICLE 13 - VACATION WITH PAY

- 13.01 Employees shall be entitled to four per cent (4%) vacation pay with pay based on hours worked to be paid on each pay cheque.
- 13.02 An additional amount equal to four per cent (4%), based on hours worked, will be paid on each pay cheque for paid statutory holidays. These include

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the following days:

New Year's Day	British Columbia Day
Good Friday	Thanksgiving Day
Victoria Day	Remembrance Day
Canada Day	Christmas Day
Labour Day	Boxing Day
BC Family Day	

ARTICLE 14 - SAFETY AND HEALTH

- 14.01 The parties hereto recognize the importance of safety provisions on the job for the welfare of the employees and the protection of the Company's property. The Company agrees to make reasonable provisions for the safety and health of its employees during their hours of employment.
- 14.02 Any employee suffering injury while in the employ of the Company must report immediately to the Company, or as soon thereafter as possible.

ARTICLE 15 - WORKING FOREMAN AND CASUAL LABOUR

- 15.01 Where the Company has less than ten (10) employees for each trade working on a construction site, it will be entitled to use a working foreman.
- 15.02 The Company shall have the right to hire part-time casual labour. Wage rates shall be as negotiated with the employee.

ARTICLE 16 - SAVING CLAUSE

- 16.01 It is assumed by the parties hereto that each provision of this Agreement is in conformity with all applicable laws of Canada and the Province of British Columbia. Should it later be determined that it would be a violation of any legally effective Federal or Provincial Order or Statute to comply with any provision or provisions of this Agreement, the parties hereto agree to renegotiate such provision or provisions of this Agreement for the purpose of making them conform to such Federal or Provincial Order or Statute, and the other provisions of this Agreement shall not be affected thereby. The Union further agrees to do anything necessary to assist the Company in resolving any trade disputes that may arise, including complete renegotiation of the Agreement and/or transfer of certification.

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ARTICLE 17 - WAGES

- 17.01 The Company and the Union agree that the wage schedule effective during the term of this Agreement shall be attached hereto as Appendix "A". The wage schedule shall be construed as meaning job descriptions.

ARTICLE 18 - BENEFITS

- 18.01 The Company agrees that employees are eligible for medical benefits as follows:
Medical 1 - M.S.P. after three (3) months continuous employment
Medical 2 - Extended benefits - after six (6) months continuous employment

ARTICLE 19 - NOTICES

- 19.01 Any notice in writing which either party gives to the other shall be by registered mail, postage prepaid, addressed as noted on the front of this Agreement.
- 19.02 Any notice provided in this Agreement to be mailed by registered mail shall be deemed given as of the next day after the date of mailing. The registration receipt shall establish the day of mailing.
- 19.03 The Company or the Union may change its address for service of notice at any time by notice as set out in Article 19.01.

ARTICLE 20 - INTERPRETATION

- 20.01 Unless otherwise stated, the word "day" or "days" wherever used herein shall be deemed not to include Saturdays, Sundays, and paid holidays observed by the Company.

ARTICLE 21 - TERM

- 21.01 This Agreement be in effect from April 1, 2014, and shall remain in full force and effect until March 31, 2019, and thereafter shall continue in full force and effect subject to sixty (60) days notice in writing together with any proposed changes from either of the parties hereto whereupon the same may be amended or substituted as may mutually be agreed upon by the parties hereto.

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21.02 Wage rates shall be reviewed on an annual basis. Disputes unresolved in this area shall be settled by mediation and/or arbitration as required.

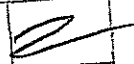
IN WITNESS WHEREOF the parties have executed this Agreement at Kamloops, British Columbia, this _____ day of _____, 2014.

ADVANCED ELECTRICAL SYSTEMS LTD.

CANADIAN IRON, STEEL AND INDUSTRIAL WORKERS' UNION LOCAL #1

Per: Corey Stasinski

Per: 

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APPENDIX A

WAGE SCHEDULE

April 1/14

Sr. Foreman – Base rate	\$ 32.00
Foreman – Base rate	30.00
Serviceman – Base rate	25.00
Sr. Journeyman – Base rate	27.00
Journeyman – Base rate	25.00
8 th Term Apprentice – 90%	
7 th Term Apprentice – 80%	
6 th Term Apprentice – 75%	
5 th Term Apprentice – 70%	
4 th Term Apprentice – 65%	
3 rd Term Apprentice – 60%	
2 nd Term Apprentice – 55%	
1 st Term Apprentice – 50%	
Helper – Base rate	\$ 12.00

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