COLLECTIVE AGREEMENT

between

CHARLIE SMITH MACHINE WORKS LTD.

and

INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS VANCOUVER LODGE #692

OCTOBER 1, 2011 to DECEMBER 31, 2014

INDEX

<u>ART</u>	TICLE	PAGE
1.	Bargaining Agency	1
2.	Management	2
3.	Hours of Work and Overtime	2
4.	Working Conditions	5
5.	Grievances and Complaints	5
6.	Arbitration	6
7.	Seniority	7
8.	Vacations	9
9.	Statutory Holidays	11
10.	Wages	12
11.	General Provisions	12
12.	Medical Care Plan	18
13.	Insurance and Dental Plans	18
14.	Benefit Coverage While Off Work	19
15.	Pension Plans	19
16.	Apprentices	20
17.	Savings Clauses	21
18.	Technological Change	22
19.	Duration of Agreement	22
Wag App	ge Rates Appendix "A1" ge Rates Appendix "A2" rentices - Appendix "B" ssification Appendix "C"	23 24 25 26
Letter of Understanding #1		28

COLLECTIVE AGREEMENT

BY AND BETWEEN CHARLIE SMITH MACHINE WORKS LTD.

(hereinafter referred to as the "Company")

AND INTERNATIONAL ASSOCIATION OF

MACHINISTS AND AEROSPACE WORKERS

VANCOUVER LODGE NO. 692

(hereinafter referred to as the "Union")

WITNESSETH: That in consideration of the mutual covenants and agreements herein

set forth, the Parties hereto, and the affected employees are mutually

agreed as follows:

GENERAL PURPOSE:

The purpose of this Agreement is to maintain a harmonious relationship between the Company and its employees; to provide an amicable and equitable method of settling grievances or differences which might possibly arise; to maintain mutually satisfactory working conditions, hours and wages for all employees who are subject to the provisions of this Agreement, and generally to promote the mutual interests of the Company and its employees.

Therefore, the Union accepts responsibility to bind its International and District Officers and Local Representatives to the observance of each and all of the provisions and conditions of this Agreement.

<u>ARTICLE 1</u> <u>BARGAINING AGENCY</u>

- 1.01 The Company recognizes the Union as the sole bargaining agency for its employees, as duly Certified under the Labour Relations Code of British Columbia, for the purpose of collective bargaining with respect to rates of pay, hours of employment, and all other working conditions.
- 1.02 The Representatives of the Union may have access to the Company's shops or yards by applying for permission through the office, provided that employees are not caused to neglect their work.
- 1.03 The Company agrees that as a condition of continued employment, all employees who are or may be covered by the Certificate of Bargaining Authority issued to the Union by the Labour Relations Board of British Columbia must become Members of the Union within thirty (30) calendar days of commencing employment and remain Members during the life of this Agreement.
- All present and new full-time employees of the Company who are or may be covered by the Certificate of Bargaining authority issued to the Union by the Labour Relations Board of British Columbia shall pay to the Union, as a condition of employment, and not later than thirty (30) calendar days after the commencement of his/her employment, dues, initiation and reinstatement fees by payroll deduction, as may from time to time be established by the Union for its Members, in accordance with its Constitution and/or By-Laws.
- 1.05 Notwithstanding the provisions of Article 1.04 preceding, the company shall deduct from each new employee an amount equal to the Union dues from the employee's first payroll cheque after completion of five (5) days of work in a calendar month and add that employee's name and the said amount to the closest applicable check-off; i.e., if the check-off for that month has not been remitted to that check-off; if the month's check-off has been remitted, it shall be added to the following month's check-off, and shown as the previous month worked.
- 1.06 All deductions as required under Article 1.04 and 1.05 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 of the Union not later than the 15th day of the following month, accompanied by a statement listing the names of the employees and their Social Insurance Number, for whom deductions were made and the amount of each deduction.

All other remittances required for medical coverage, Weekly Indemnity, Dental and Pension, or any other coverage required under this Collective Agreement, shall be remitted to the appropriate carrier not later than the 15th of the month following the month in which the coverage is required.

1.07 The term "employee" as used in and for the purpose of this Agreement shall include all persons employed in the Company's operations and as covered by the Labour Relations Board Certification & without restricting the generality of the foregoing shall not include forepersons & those having authority to hire or discharge employees, office workers, supervisory officials, salespersons, and watchpersons.

ARTICLE 2 MANAGEMENT

- 2.01 The management and operation of the plants and the direction of the working forces are vested exclusively in the Company.
- 2.02 The Company has and shall retain the right to select its employees, to hire, discharge, classify, transfer, promote, demote or discipline them; subject to the Grievance and Seniority procedures enumerated in Articles 5, 6 and 7 of this Agreement.
- 2.03 The right to hire employees is vested in the Company, provided in the case of new vacancies, the Union is notified in advance and may have the opportunity to provide the Company with suitable applicants.

ARTICLE 3 HOURS OF WORK AND OVERTIME

- 3.01 The starting and stopping time on standard shifts, as well as the meal period shall be mutually arranged by the Company and the Union, it being understood that the meal period shall not be less than thirty (30) minutes.
- 3.02 The standard work day shall consist of eight (8) hours and the standard work week shall consist of forty (40) hours on the first shift, worked between the hours of 7:30 A.M. to 4:00 P.M.
- 3.03 If a second shift is employed, the hours or work shall be seven and one-half (7 1/2) hours per shift, for which eight and one quarter (8 1/4) hours will be paid.
- 3.04 If a third shift is employed, the hours of work shall be seven (7) hours per shift for which eight and one quarter (8 1/4) hours will be paid.
- **3.05** Five (5) shifts, Monday to Friday inclusive or the accepted variations therefrom shall constitute a regular week's work on all shifts.

- 3.06 All hours worked outside the standard hours & outside the established shift hours shall be considered overtime and shall be paid for at the appropriate overtime rates.
 - (a) All overtime shall be paid for at double time rates.
 - (b) Double time for all work performed on Sundays and on Saturdays in the same week in which the Monday to Friday shift is worked, or on Mondays of the same week in which the Tuesday to Saturday shift is worked.
 - (c) Double time for all work performed on Statutory Holidays as enumerated in Article 9 of this Agreement.
- **NOTE:** If an employee works on a Statutory Holiday as provided for in Article 9.01, he/she will be paid double rate for the time worked on the Statutory Holiday, and in addition, if he/she qualifies, he/she will be paid eight (8) hours at his/her regular straight-time rate for the Statutory Holiday as provided for in Article 9.01.
- 3.07 Employees called in before the regular starting time shall be paid at double time rates for time worked prior to their regular starting time.
- 3.08 <u>Call Time</u> All employees called in to work after normal shift hours during the week shall be guaranteed three (3) hours' pay at double time rates. Employees called in to work Saturdays, Sundays and Statutory Holidays shall be guaranteed four (4) hours' pay at double time rates, plus any Statutory Holiday Pay that is applicable.
- **NOTE:** Hours worked in excess of the above guarantee shall be paid for at double time rates.
- **Work During Lunch Period** If an employee is required to work during his/her regular lunch break period, he/she will receive pay at the rate of double time in the event that he/she is not allowed within one-half hour his/her full lunch period to consume his/her meal.
- Overtime Meals Employees who are requested to work more than two (2) hours overtime after completion of their regular shift will be provided nine dollars (\$9.00) for a meal to be eaten on Company time which shall count as time worked. The preceding conditions shall apply every four (4) hours of work thereafter. The minimum time for eating a meal shall be one-half (1/2) hour.
- 3.11 Shift Break It is intended that every employee shall have a full shift break between shifts. In the event that an employee is recalled to work before such shift break has elapsed, he/she shall be considered as still working on his/her previous shift and shall be paid the appropriate overtime rates for work performed after recall. No employee shall be permitted to resume work of his/her own accord until a full shift break has elapsed.

<u>Clarification</u> Employees working after midnight reporting for work next shift after an eight (8) hour break will not lose the time taken from the shift to make up the eight (8) hour break.

- 3.12 (a) Subject to the exceptions set forth in this Section, any employee reporting for work on his/her regular shift shall receive a minimum of four (4) hours' pay at his/her regular wage rate.
 - (b) Any employee completing the first half of his/her regular shift, and who commences work on the second half of his/her regular shift, shall receive a minimum of eight (8) hours' pay at his/her regular wage rate.

PROVIDED THAT if four or eight hours (a) or (b) above is not available at his/her regular job, the employee shall perform such temporary work as may be assigned to him/her to qualify for such pay.

The provisions of this Section shall not apply in the event of an emergency such as fire, flood, power failure, etc., beyond the control of the Company, or if:

- A. He/she voluntarily quits or lays off; or is discharged for cause,
- B. He/she was previously instructed not to report,

and in any such event or circumstance he/she shall be paid for the actual time worked at regular wage rate.

- 3.13 In order to bring about a stabilization of employment and to provide employees with a greater degree of job security, the company agrees whenever feasible to eliminate overtime.
- **Additional Shifts** If an employee is required to change shift more than once in a calendar week he/she will be paid at double rate for the balance of the week, unless the second change is to return to his/her original shift.
- 3.15 <u>Notice of Shift Change</u> The Company will give employees forty-eight (48) hours' notice of shift change except where time will not permit. Example: company or customer break-downs and repairs, absences requiring the moving of employees to staff a shift.
- 3.16 <u>Tuesday to Saturday Work Week</u> For those plants with equipment requirements for a maintenance crew on a Tuesday to Saturday basis, the following shall apply:

- (a) Five (5) consecutive eight-hour day shifts Tuesday to Saturday inclusive shall constitute the regular work week of this shift.
- (b) Sundays and Mondays shall be regular consecutive days off for this shift and any work performed on these days off shall be paid at the overtime rates and conditions as provided for in this Collective Agreement.
- (c) Maintenance employees on Tuesday to Saturday shift, shall not perform on production processes on Saturday.
- (d) The numbers of maintenance crew employed on Tuesday to Saturday work week shall be limited to meet the maintenance of equipment requirements of each Company.
- (e) Employees working the Tuesday to Saturday shift will be paid five percent (5%) per hour over their regular classification rate for each hour worked on this shift.
- 3.17 <u>Wash-Up and Tool Stowage</u> Employees shall be allowed five (5) minutes for personal clean-up and stowage of tools prior to the end of each shift.

<u>ARTICLE 4</u> <u>WORKING CONDITIONS</u>

- **4.01** Employees shall take orders from only their respective foreperson, or from the general management when forepersons are not immediately available.
- 4.02 Employees shall observe the rules of the Company and shall perform a fair day's work in the category in which the employee is engaged and shall be subject to discipline by the Management for failure to do so.
- 4.03 Employees will not absent themselves from work without advising the Management. Employees will not leave the plant during their working hours without permission. Failure to obtain permission shall be cause for discipline.

<u>ARTICLE 5</u> <u>GRIEVANCES AND COMPLAINTS</u>

- An honest effort to settle all grievances without stoppage of work shall be made in the following manner:
 - (a) By the aggrieved party with the Shop Steward and the Foreperson.
 - (b) Failing settlement within five (5) days, the employee and/or his/her representative shall endeavour to settle the matter with the Department Head.

- (c) Should no satisfactory settlement be reached within seven (7) days, the employee's representative will discuss the grievance with the Management.
- (d) When grievances cannot be finally adjusted by the Company and the Union representatives, the matter shall be submitted, within seven (7) days, to an Arbitration Board of three persons appointed as hereafter provided.
- (e) The above mentioned time limits may be extended by mutual agreement in writing. Saturdays, Sundays and Statutory Holidays will not be included in the above time limits.

NOTE: All grievances and complaints not settled by the foreperson shall be reduced to writing by the employee(s) and filed with the Company through the Shop Steward or Shop Committee within ten (10) days of occurrence. Any grievance or complaint not so filed shall be deemed to have been waived and shall not be entitled to consideration.

ARTICLE 6 ARBITRATION

6.01 In case of a dispute arising under this Agreement, which the parties are unable to settle between themselves as set out in Article 5, the matter shall be determined by arbitration in the following manner:

The Party desiring arbitration shall notify the other Party in writing and include the particulars in dispute. Within five working days thereafter, the Parties agree to seek a single, mutually agreed upon, arbitrator.

If the Parties fail to agree on a single arbitrator within the allotted time, either party may request the Minister of Labour to make the appointment.

All decisions will be final and binding upon the Parties.

The Employer and the Union shall bear in equal proportions the expenses and allowance of the arbitrator, stenographic, secretarial expenses, and rent connected with his/her duties as arbitrator.

The Arbitrator shall be required to hand down his/her decision within ten (10) days following the completion of the Hearing.

The Board of Arbitration shall not be vested with the power to change, modify, or alter any of the terms of this agreement.

ARTICLE 7 SENIORITY

- 7.01 Upon request the Company will, every six (6) months provide the Union and the Shop Steward with an up-to-date list of all employees covered by this Agreement showing the date when each commenced employment with the Company.
- 7.02 When a new employee is hired, it is agreed that he/she shall be on probation for thirty (30) calendar days and during this period seniority will not be applicable. When the probationary period is completed, seniority will commence from the date of hiring, except as provided in the Apprenticeship Article of this Agreement. If requested by the Company, a thirty (30) day extension may be granted.
- 7.03 An employee re-entering the employ of the Company within six (6) months after his/her right to recall has expired will not be subject to another probationary period.
- 7.04 In the event of lay-offs, seniority shall be recognized. The principle of last person on, first person off, shall prevail, subject to job classification, ability and efficiency.

The parties agree that the application of seniority in instances of lay-offs will be based on the concept that seniority, subject to qualifications described in this Section, will govern, if the senior employee to be retained can perform the work.

Where lay-offs or rehiring are not in strict accordance with the seniority list, the Shop Steward and Business Representative of the Union shall meet with the Company to discuss any dispute under the provisions of the Grievance Procedure prescribed under the Collective Agreement.

Seniority Retention A <u>laid-off</u> employee shall maintain and accumulate his/her seniority and recall rights for three (3) months after which he/she will retain but not accumulate seniority for the following periods. The three-month accumulation will not bring an employee into a longer retention period.

Period of Seniority:

- less than 12 months

- over 12 and less than 48 months

- over 48 months

- 6 months' retention

- 12 months' retention

- 24 months' retention

- When vacancies occur, the Company shall rehire laid-off employees according to their seniority, and the principle of last person off, first person on shall prevail, subject to their classification, ability and efficiency. The company shall make personal contact with laid-off employees and confirm by Registered Mail. It is the employee's responsibility to keep the employer advised of his/her current address and telephone number.
- 7.07 When a new job is available the company will place a notice of such vacancy on an appropriate notice board. Whenever possible the company will promote an employee to a better paying job seniority, qualifications and ability to be considered. However nothing in this article shall be construed as any guarantee of such job.
- 7.08 When a member of the bargaining unit is transferred within the Company to a position outside the bargaining unit, he/she shall maintain but not accumulate seniority for a period of two (2) years after which his/her seniority will be terminated.
- **7.09** Seniority will be maintained and accumulated during absence due to:
 - (a) A compensable accident.
 - (b) Serving in the non-permanent Armed Forces of Canada.
 - (c) Temporary illness or non-occupational accident not exceeding twenty-six (26) weeks.
 - (d) Lay-off up to three (3) months (cumulative in a vacation year).
- **7.10** Seniority will be maintained, but not accumulated during absence due to:
 - (a) Temporary illness or non-occupational accident, exceeding twenty-six (26) weeks.
 - (b) Authorized leave-of-absence.
 - (c) Lay-off in excess of three (3) months (cumulative in a vacation year).
- **7.11** Seniority will be broken by:
 - (a) Voluntary quitting of job.
 - (b) Exceeding authorized leave-of-absence, unless for legitimate cause.
 - (c) Failure to report back to work within three (3) days after notification to return to work unless failure proved to be unavoidable.

It being understood that the work recalled for is of three (3) weeks' duration.

- (d) Discharged and not reinstated under the terms of this Agreement.
- (e) Lay-off exceeding the employee's seniority retention period.

ARTICLE 8 VACATIONS

8.01 EMPLOYEES WILL RECEIVE VACATIONS AND BE PAID FOR THE VACATION IN ACCORDANCE WITH THE FOLLOWING SCHEDULE:

YEARS OF CONTINUOUS SERVICE - Less than one year	VACATION PERIOD 1 day for each major fraction of month worked (max. 10 working days)	VACATION PAY .4%
- 1 year but less than 3 years	2 weeks	4 1/2% or 2 weeks*
- 3 years but less than 8 years	3 weeks	6 1/2% or 3 weeks*
- 8 years but less than 15 years	4 weeks	8 1/2% or 4 weeks*
- 15 years but less than 20 years	5 weeks	10 1/2% or 5 weeks*
- 20 years and over	6 weeks	12 1/2% or 6 weeks*

^{*} pay at employee's current classified rate whichever is greater at the time the vacation is taken.

- **8.02 Vacation Entitlement** An employee working less than 1200 hours per vacation year (cut-off date to cut-off date) will be paid on a percentage of earnings basis.
- **8.03 Vacation Pay When Payable** The amount of the vacation payment will relate directly to the portion of the vacation time entitlement which is being taken at that particular time.
- Two (2) weeks vacation will, as far as practicable, be granted during the period 15th June to 15th September to conform with the wish of the employee concerned and the convenience of the employer, having regard to the necessity of maintaining production, to a maximum of two (2) employees off at any given time.

Vacation lists for the purpose of vacation preference shall be posted no later than January 1st of each calendar year. Seniority will be the determining factor in allocating the first two (2) weeks of vacation entitlement in each department or classification. Senior employees will be given five (5) working days in which to select their two (2) week vacation period. Failure to select within the five (5) days shall lead to the losing of seniority preference.

- 8.05 In the event of termination of service with the Company after he/she had his/her vacation he/she earned for the previous year, he/she shall receive four and one-half per cent, six and one-half percent, eight and one-half percent, ten and one-half percent, or twelve and one-half percent, when applicable as the case may be, for his/her pay for the year in which he/she ends his/her employment for which no vacation has been paid.
- 8.06 An employee's scheduled vacation period shall not be changed by the Company within the one-month period immediately preceding the start of the vacation period without the consent of the employee concerned.
- When a conflict arises between employees with regard to available vacation time the Company, wherever practical, will recognize seniority.
- **8.08** Each employee shall be required to take the full annual vacation period that he/she is entitled to under the provisions of this Agreement in the current year.
- 8.09 The vacation allowance shall be drawn on the working day preceding the vacation providing the vacation has been scheduled one week in advance.
- **8.10** Vacation eligibility is resolved on the principle that the employee receives all vacation and vacation pay earned.
- **8.11** Vacation eligibility lists showing the current accumulated service of each employee shall be prepared prior to each vacation period, a copy of which shall be supplied to the Union.
- 8.12 For the purpose of determining an employee's eligibility, the following will apply:

The service for purpose of determining vacations of each employee covered by this Agreement shall be established after a probation period of thirty (30) calendar days from the date of employment and shall be calculated from date of employment.

- **8.13** The Company will pay vacation pay with a separate cheque and an itemized statement.
- 8.14 When an employee reaches his/her qualifying anniversary date he/she will become entitled to one additional week of vacation with pay, in accordance with the current Collective Agreement.

At the next cut-off date (30th June), his/her vacation time and pay will be adjusted to the cut-off date.

<u>ARTICLE 9</u> <u>STATUTORY HOLIDAYS</u>

9.01 All employees covered by this Agreement shall receive eight (8) hours' pay at their regular straight time rates for each of the following Statutory Holidays, in addition to any wages which they may be in receipt of as enumerated in Article 3.06, Subsection (c) of this Agreement.

1.	New Year's Day	7.	Labour Day
2.	Good Friday	8.	Thanksgiving Day
3.	Easter Monday	9.	Remembrance Day
4.	Victoria Day	10.	Christmas Day
5.	Canada Day	11.	Boxing Day
6.	B.C. Day	12.	Floating Statutory Holiday

and one (1) other Holiday if declared by the Federal or Provincial Government.

- 9.02 The day observed or celebrated by the Nation or Province shall be considered the Holiday, with the provision that when Statutory Holidays fall on a Saturday or a Sunday, they will be celebrated on Monday, and when they fall on consecutive Saturday and Sunday or consecutive Sunday and Monday, they will be celebrated on the following Monday and Tuesday.
- **9.03** Floating Statutory Holiday The 12th guaranteed Statutory Holiday with pay shall be granted to all employees who qualify with the provisions contained in Article 9 of this Agreement.

This floating holiday is to cover those situations where a regular Statutory Holiday falls on a Thursday and/or a Tuesday, and the Monday and/or Friday would be a regular working day, or where the Provincial and/or Federal Government declare a Statutory Holiday in addition to the twelve Statutory Holidays listed in Article 9.01 above. This Holiday would then be celebrated on the Monday or Friday, as the case may be.

In any calendar year where the preceding situation does not exist, a mutually acceptable day will be chosen.

The selected day will be posted on the shop bulletin board and celebrated on a plantwide basis.

- 9.04 In order to qualify for eight (8) hours' pay for a Statutory Holiday as enumerated in Article 9.01, 9.02 and 9.03, the employee must have:
 - (a) Thirty (30) calendar days' employment with the Company.

- (b) Worked any part of the regularly scheduled work day prior to and the first regularly scheduled work day following the holiday. Exceptions to the foregoing shall be made in cases where the following conditions prevail.
 - (i) The employee is off work due to industrial accident or disease for a period not in excess of two (2) calendar months.
 - (ii) The employee is prevented from working due to a bona fide illness for a period not in excess of two (2) calendar months. A doctor's certificate shall be submitted as proof.
 - (iii) Temporary lay-off not exceeding two (2) weeks and/or termination of services within two (2) weeks of any designated holiday.
 - (iv) Where leave-of-absence has been approved and the employee has worked some time during the two (2) calendar weeks preceding the week in which the holiday occurs.

ARTICLE 10 WAGES

Wages and Classifications shall be those agreed upon and set out in Appendixes attached hereto and forming part of this Agreement.

ARTICLE 11 GENERAL PROVISIONS

- Any employee suffering injury while in the employ of the Company must report immediately to the First Aid Department, or as soon thereafter as possible, and also report to this Department upon returning to work. A copy of the employee's accident report will be supplied to the employee on request. If the injured employee is not able to work the balance of the shift, the Company will pay such employees normal daily earnings for the day of the injury.
- 11.02 Free transportation to the nearest doctor of hospital and to the employee's home if required will be arranged by the Company.
- 11.03 A buzzer of other device to summon a First Aid Attendant will be provided in companies where it is required to have First Aid Services.
- Any employee being discharged for disobeying the rules of the Company will only be paid up to the time of discharge. Company rules shall be posted in a conspicuous place within the Plant.

- No employee will be paid off until he/she produces a receipt for any Company-owned tools or equipment which have been issued to him/her.
- A Notice Board will be provided for the posting of all official Union notices exclusively, and not be used for disseminating political propaganda. All notices shall be submitted to a Company official for approval before posting.

11.07 <u>Travel Time - Lower Mainland</u>

(a) When an employee is required to work at points outside the City of Surrey, he/she shall receive travelling time on the following basis:

Travel time during the employee's regular shift hours, Monday to Friday, inclusive, will be paid for at straight time.

Travel time authorized by the Company or the customer outside the employee's regular shift hours, Monday to Friday, will be paid for at time and one-half up to a maximum of eight (8) hours in any twenty-four hour period.

All travel time for Saturday and Sunday and any Holiday will be paid for at time and one-half to a maximum of eight (8) hours in any twenty-four hour period. The exception to this provision would be where first-class sleeping accommodation is provided. In this instance, time would cease at 9:00 P.M. and commence at 8:00 A.M. the next day.

He/she shall also be provided with fares, first-class accommodation, and board at no cost to the employee.

Living out of town allowance – Seventy-five (\$75.00) dollars per day.

(b) Employees required to drive vehicles (including employee cars) will be paid double rate for all time spent driving these vehicles outside regular hours of work.

This provision shall not apply when an employee is travelling by a public carrier or to or from a public carrier. Public carriers shall be defined as follows: buses, taxis, aircraft, trains, boats and any vehicles licensed to transport passengers and operated by a licensed operator. Buses, aircraft or boats that may be chartered or purchased by the Company to transport passengers must be operated by an operator holding a current appropriate license to do so.

- (c) In going to work outside the City Limits of Surrey and returning daily, employees shall be at such limits at the starting time, and allowed to return to such city limits at the close of the work day. They shall be paid all fares to and from the city limits to place of work, or alternatively be supplied with transportation by the employer. It is understood that where employees reside in the city where the work is being done, that they shall report to and finish work at the regular starting and stopping time.
- (d) Off-Premises Work employees engaged in overhaul and repair work performed off Company premises shall receive a premium seven percent (7%) per hour over their regular wage rate for all hours worked off Company premises, except for work done on warranty and guarantee work within six (6) months of commencement of operation of the equipment. When exceptional circumstances exist, the Parties will discuss other arrangements.

However, where the above-referred-to work is ruled to be new construction, or where other construction unions affiliated with the Buildings Trades Council are involved, then the construction rates shall apply.

- (e) Employees who are assigned and/or engaged or hired for installation of machinery in conjunction with the Building Trades, shall receive the going construction rate of wages for the duration of that job. In addition they shall receive travelling time, fares, first class accommodation and board, as enumerated in the current Construction Agreement.
- 11.09 Bereavement Pay In the case of death in an employee's immediate family specifically, husband, wife, child, mother, father, step-mother, step-father, brother, sister, mother-in-law, father-in-law, grandparents or common-law spouse, spouse's grandparents, the company will grant the employee two (2) days' leave-of-absence with his/her regular classification pay if he/she attends or arranges for the funeral or three (3) days if the funeral is held outside the lower mainland or three (3) days if the funeral is held off of Vancouver Island in the case of employees residing on Vancouver Island.
- 11.10 <u>Jury Duty</u> If an employee is called or selected for Jury Duty and/or called as a subpoenaed witness for the Crown, the Company shall make up the difference of the employee's regular pay and the amount received for such jury duty, and if called as a witness for the Crown, as described above, the employee shall receive his/her regular pay while absent from work. If an employee is called for jury duty but not selected he/she will return to work within a reasonable length of time.

- 11.11 <u>Moonlighting</u> The Company and the Union agree in principle to eliminate the practice commonly known as "moonlighting". The term "moonlighting" shall refer to an employee who regularly makes a practice of working for two or more employers and for the purpose of this Agreement, the term "moonlighting" shall also refer to employees who take employment of any sort during their annual vacation:
 - (a) When this practice affects the Company's business or the employee's ability to perform his/her job, it shall be cause for reprimand or dismissal.
 - (b) When this practice affects the Union, the Company agrees to cooperate with the Union in reprimand and/or dismissal.
- The employees employed in this plant will elect one Union member from each shift and each separate shop who will be known as Shop Stewards or Shop Committee, and in no case shall this Committee be comprised of more than three (3) employees. The Union agrees to officially notify the Management in writing of the employees selected as Shop Stewards, and will also notify them promptly when there is any change in representation.

No Shop Steward, Committee or employee shall be discriminated against or jeopardized in seniority standing or suffer any loss of employment on account of membership or activity in the Union, provided that such activity is not allowed to interfere with the work and production of the Company.

- When the Company finds it necessary to lay off a Shop Steward, the Business Representative of the Union shall be notified prior to such layoff or discharge.
- 11.14 The Company will supply suitable accommodation where employees may have their lunch.
- 11.15 Wages will be paid on Company time, with a maximum of five (5) working day's held back. Employees will be given a proper statement of all hours, indicating rate of pay, overtime hours, earning and deductions covering each pay period. These will be delivered to the employees at their respective work stations in time for cashing in normal city banking hours of the pay week.
- 11.16 <u>Sanitary Facilities</u> Sanitary facilities shall be provided by the Company in accordance with the British Columbia Factories Act and the Regulations to the said Act. Employees will cooperate by observing the simple rules of cleanliness.
- 11.17 <u>Welders' Gloves and Safety Boot Allowance</u> The Company will supply welders' gloves to those employees working in this classification, at no cost to the employee. Welders' gloves will be replaced on acceptable verification of loss or damage.

Each calendar year the Company will reimburse each employee having completed six (6) months service an amount up to One Hundred and fifty (\$150.00) dollars per year accumulative to a maximum of two (2) years for the purchase of WCB approved safety footwear. When claiming reimbursement under this provision the employee is required to submit a receipt or other proof of purchase.

All employees required to wear coveralls or smocks shall have these supplied and cleaned by the Company. Employees are expected to take reasonable care of such clothing.

11.18 Course Tuition and Test Fees The Company will pay tuition fees for courses, and test fees, for those courses and tests pertaining to the trade of the employees covered by this Collective Agreement. The employees shall make a request to the Company for the Company's approval before taking such courses or tests. Such approval shall not be unreasonably withheld.

If an employee is required to write First Aid exams during a regularly scheduled shift, he/she shall be given the required time off without loss of pay.

- 11.19 <u>Coffee Consumption</u> Coffee consumption will be allowed in each half shift, during working hours. Wherever practicable operations will continue.
- **11.20** Employees Working Alone No employee covered by this Agreement shall be required to operate a machine while alone on any shift or any overtime work.

When machines are being operated, if physical obstructions or other interferences prohibit adequate communications between workers, other arrangements will be made.

- 11.21 <u>Leave-Of-Absence</u> Upon written request of an employee, the Company may grant a leave-of-absence without pay for justifiable reasons. Said leave-of-absence not to exceed three (3) calendar months. Any leave granted hereunder shall be in writing and a copy given to the Shop Steward. During the term of any leave-of-absence granted to an employee, the employee shall not perform work of any nature for wages, and performance of any such work may result in immediate termination of leave-of-absence and employment with the Company. This will not apply to leave-of-absence relating to Union business.
- 11.22 <u>Loss of Tools</u> The Company will repair or replace employees' personal tools which have been listed by the employee, the list to be deposited with the Company, in cases where it can be verified that the tools were lost, damaged or stolen other than by employee negligence during, or in connection with the employee's employment duties.

Employees shall receive an annual tool allowance on tools pertaining to their job, to a maximum of Three Hundred (\$300.00) Dollars per year, upon submission of receipts. Receipts should be submitted during the month of September and payment will be on the first cheque in October of each year.

- **Spray Painting & Sandblasting** Employees employed over two (2) hours per day at spray painting or sandblasting will be paid thirty cents (\$.30) per hour in addition to their regular classified rate. This provision does not apply to sandblasters in the foundries or Painters.
- 11.24 <u>Use of Employee Cars</u> Employee vehicles can be used on Company business only if authorized by the Company, the Company will pay employee's for the use of their own vehicles for the difference in distance when driven to job sites where the distance is greater than the employee's regular drive to work. Otherwise, employees will only be paid for the use of their vehicles if they are transporting shop equipment to the job site in their own vehicle. Shop equipment does not include hand tools, and coveralls.

When an employee vehicle is used on Company business the employee will be reimbursed on the basis of sixty-seven cents (.67) per mile or forty-two cents (.42) per kilometre with a minimum of ten (10) miles or sixteen (16) kilometres payment, when transporting Shop Equipment.

It will not be a violation of this Agreement for an employee to refuse to use his/her motor vehicle on Company business.

Both Parties involved should confirm that adequate vehicle insurance is carried (to and from work for most situations or business coverage for extensive use) before using personal vehicles on company business.

11.25 Metric Tools The Company will supply metric tools as required by the Company.

11.26 First Aid Attendants

Effective date of signing:

\$.45 per hour over occupational rate

\$.65 per hour over occupational rate

\$.80 per hour over occupational rate

"A" ticket

The First aid Certificate requirement of the Workers' Compensation Board for each individual Company will determine the premium that will be paid.

Definition of Spouse For the purposes of this collective agreement and attendant benefit plans, the terms "spouse", "wife" and/or "husband" shall mean a person to whom an employee is legally married or a person with whom the employee has lived in a husband and wife manner for a continuous period of at least one year. An employee may not claim to have both a spouse to who he/she is legally married and a spouse with who he/she is in a common-law relationship.

ARTICLE 12 MEDICAL CARE PLAN

The Company shall pay 100% of the premiums of the Medical Services Plan of B.C. as provided by the Medical Services Act of British Columbia. This Plan shall be made available to all employees covered by this Collective Agreement.

ARTICLE 13 INSURANCE AND DENTAL PLANS

13.01 <u>International Association of Machinists and Aerospace Workers, Vancouver Lodge</u> #692

Insurance Plan

The Machinists Lodge 692 Insurance Plan shall be made available to all present members of Machinists Lodge 692 covered by this Collective Agreement. All new employee members of the Machinists Lodge are required to subscribe to the Insurance Plan in force. The premiums cost for coverage provided under this Plan shall be borne by the Employer.

- Life Insurance \$50,000.00 - A.D. & D. Insurance \$50,000.00

- Weekly Indemnity \$ 448.00 (1-4-26)

(Indexed to EI Maximums)

Note: On Weekly Indemnity Benefit Claims approved by Pacific Blue Cross, Charlie Smith Machine Works Ltd. will top up the current amount to Six Hundred (\$600.00) Dollars per week.

- Extended Health Benefits
- The Company shall pay the cost for eye examinations for all Health Plan Participants every two (2) years or as required by an optometrist.

Vision Care: any prescription eyewear to a maximum benefit per family of Three Hundred (\$300.00) dollars per year.

Dental Plan

Lodge 692 Dental Plan as follows:

- Coverage: Basic Dental 100%

- Prosthetic Appliances, Crowns and Bridges 70%
- \$2500.00 Combined maximum for Plan A & B
- Orthodontics 50%

dependent children only to \$2500 lifetime maximum per child

- Participation - A condition of employment.

ARTICLE 14 BENEFIT COVERAGE WHILE OFF WORK

If a covered employee is off work due to injury or illness the Company will, for three (3) months, pay the premiums for the employee's Medical, E.H.B., Insurance and Dental Plans.

If an employee is off work due to a layoff, the Company shall pay its share of the premiums for the calendar month following the month during which the layoff occurs. If the employee wishes to retain coverage during the subsequent months of layoff, the employee must pay the entire premiums and must make arrangements with the company for payments of the premiums. This will apply in the case where the insurance carrier allows for the benefit to occur during this period of time.

If an employee is off work due to sickness or injury and the employee wishes to retain coverage during the subsequent months of sickness or injury, the employee must pay the entire premiums and must make arrangements with the company for payments of the premiums. This will apply in the case where the insurance carrier allows for the benefit to occur during this period of time.

If an employee is on Workers' Compensation, the Company shall continue to pay its share of the premiums.

ARTICLE 15 PENSION PLANS

15.01 Contributions shall be paid by the Company to the MACHINISTS PENSION PLAN, LODGE 692 (formerly referred to as The Machinists Lodge 692 Pension Plan) for all employees of the Company covered by this Collective Agreement on the basis set forth below in this article.

All such employees newly hired shall commence to pay employee contributions to the said Plan immediately after the expiration of three (3) months' employment with the Company.

The Company will make contributions as follows:

The employee contribution is thirty-five cents (\$.35) for each hour earned.

ARTICLE 16 APPRENTICES

- Apprentices on completion of their probationary period of ninety (90) days, shall form part of this Bargaining Unit, and shall be required to become and remain members of the Union while covered under this Collective Agreement.
- Apprentices shall be entitled to all conditions of the Collective Agreement with the exception that:
 - (a) Apprentices will be granted seniority on the basis of one-half the required Term of Apprenticeship.
 - (b) Apprentice plant seniority for the purpose of vacations, Statutory Holidays, etc., shall be based on their date of hire.
- **16.03** Apprentice wage rates shall be as set out in Appendix "B".
- When Apprentices attend authorized training classes in their trade during normal working hours, the Company will make up the difference between their regular rate of pay and Government subsidies the apprentice may be in receipt of.
- **16.05** Apprentices shall not be required to work alone in the field until the final year of Apprenticeship.
- Apprentices can be required to take orders from the Journeyperson with whom they are working as well as the regular Company Supervisor.
- **Apprentice Ratio** The maximum number of Apprentices to Journeypersons in the shops shall not exceed:
 - 4 Journeypersons 1 Apprentice.

The above Apprentice ratio may be increased only on mutual agreement between the Parties to this Agreement and the Apprenticeship Branch of the Ministry of Labour of British Columbia.

- An Apprentice having served his/her required time at the trade, and having passed the necessary examinations, will automatically be classified as a Journeyperson and paid rates and conditions as enumerated in this Agreement for the Journeyperson Classification.
- During the term of this Agreement the Parties will meet at least every six (6) months to discuss and implement improvements to Apprenticeship training.

ARTICLE 17 SAVINGS CLAUSE

- 17.01 No provision of this Agreement shall be used to remove working conditions or reduce wages presently in force.
- **Article Headings Clause** The Article Headings of this Collective Agreement shall be used for the purpose of reference only, and shall not be used as an aid in the interpretation of this Agreement.
- 17.03 The Company reserves the right to pay higher wages than the minimum provided herein. However, where off-schedule rates are applied it shall be at the discretion of the company to maintain or cancel as circumstances warrant.
- 17.04 It shall not be a violation of this Collective Agreement if Members of this Union respect and/or honour a legal picket line.
- 17.05 Should any part hereof or any provisions herein contained be rendered or declared invalid by reason of any existing or subsequently-enacted legislation, or by any decree of a court of competent jurisdiction, such invalidation of such part or portion of this Agreement shall not invalidate the remaining portions hereof and such remaining portions shall continue in full force and effect.
- 17.06 Work Retention and Sub-contracting Where the Company's facilities, space and trained personnel are available, the Company shall endeavour to continue to have all work which is presently performed by employees of the Bargaining Unit, retained and performed by employees of the Bargaining Unit.

Where work must be performed by others, the Company shall endeavour wherever possible to have its sub-contract work performed by a union shop.

17.07 <u>Safety Committee</u> It is mutually agreed that a Safety Committee consisting of employees selected by the Union will meet with a management representative or representatives not less frequently than once a month. Minutes of such meetings will be posted on the Notice Board, and a copy sent to the Union and the Compensation Board.

ARTICLE 18 TECHNOLOGICAL CHANGE

In the event that the Company introduces a technological change which results in: Displacement of a significant number of employees from employment with the Company. The Company will cooperate with Human Resources and Skills Development Canada training facilities to train such employees, if there are job openings with the Company, and such employees have the necessary potential to fill the positions.

ARTICLE 19 DURATION OF AGREEMENT

19.01 This Agreement shall be in full force and effect from and including October 1, 2011 to and including December 31, 2014, subject to the right of either Party to this collective Agreement, within four (4) months immediately preceding the date of December 31, 2014 or immediately preceding the anniversary date in any year thereafter, by written notice to the other Party, require the other Party to commence collective bargaining with a view to the conclusion of a renewal or revision of this Collective Agreement or a new Collective Agreement.

Should either Party give written notice to the other Party pursuant hereto, this Agreement shall thereafter continue in full force and effect until the Union shall give notice of strike, or the Company shall give notice of lockout and such strike or lockout takes place and/or either Party gives notice of termination, or the Parties shall conclude a renewal or revision of the Collective Agreement or a new Collective Agreement.

During the life of this Agreement, or while negotiations for a further Agreement are in process, there shall be no strikes or stoppage of work on the part of the Members of the Union, or any lockout of employees on the part of the Company.

19.03 By agreement of the parties hereto, the provisions of Section 50 (2) and (3) of the Labour Relations Code of British Columbia are specifically excluded.

DATED ATTHISD	2012.
INTERNATIONAL ASSOCIATION OF	CHARLIE SMITH MACHINE WORKS LTD.
MACHINISTS AND AEROSPACE	
WORKERS, VANCOUVER LODGE NO. 692	

APPENDIX "A1"

INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS VANCOUVER LODGE #692

CLASSIFICATIONS AND WAGE RATES	EFFECTIVE: Oct. 1/2011	EFFECTIVE: Oct. 1/2012	EFFECTIVE: Oct. 1/2013
TOOLMAKERS	\$ 32.80	\$ 33.29	\$ 33.79
JOURNEYPERSON TRADESPERSON(Machinists Fitter, Engine Fitter)	\$ 32.45	\$ 32.94	\$ 33.43
JOURNEYPERSON HYDRUALIC TECHNICIAN	\$ 31.24	\$ 31.71	\$ 32.19
PROBATIONARY JOURNEYPERSON (1-3 Month	s)\$ 29.54	\$ 29.98	\$ 30.43
* PRODUCTION MACHINIST (Mainland Shops only)	\$ 30.36	\$ 30.82	\$ 31.28
* PRODUCTION FITTER (Mainland Shops only)	\$ 30.36	\$ 30.82	\$ 31.28
SPECIALIST	\$ 28.79	\$ 29.22	\$ 29.66
MOBILE EQUIPMENT OPERATOR (Full Time) (Over 4 tons capacity)	\$ 27.56	\$ 27.97	\$ 28.39
HELPER AND TOOL CRIB ATTENDANT	\$ 26.54	\$ 26.94	\$ 27.34
LABOURER (General Plant Cleanup)	\$ 22.34	\$ 22.68	\$ 23.02
STUDENT	\$ 19.11	\$ 19.40	\$ 19.69
CHARGE HAND: (above employee's regular job	rate)	7%	

NOTE: All employees in the Machinists Lodge 692 bargaining unit who were receiving a wage rate premium shall continue to receive that wage rate premium in addition to the wage rates enumerated in this Collective Agreement.

LEAD HAND: (above employee's regular job rate)

Present employees when working in these Classifications within their seniority retention period, will maintain their present wage rate and will receive the increases applying to those rates.

4%

APPENDIX "A2"

INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS VANCOUVER LODGE #692

CLASSIFICATIONS AND WAGE RATES

	EFFECTIVE: Oct. 1/2011	EFFECTIVE: Oct. 1/2012	EFFECTIVE: Oct. 1/2013
JOURNEYPERSON STEEL FABRICATOR	\$ 32.45	\$ 32.94	\$ 33.43
WELDER - with C.W.B. "All Position" Ticket or equivalent	\$ 30.13	\$ 30.58	\$ 31.04
LAYOUT BURNER	\$ 29.68	\$ 30.13	\$ 30.58
FITTER WELDER	\$ 29.68	\$ 30.13	\$ 30.58
WELDER'S HELPER	\$ 24.64	\$ 25.01	\$ 25.39

NOTE: All employees in the Machinist Lodge 692 bargaining unit who were receiving a wage rate premium shall continue to receive that wage rate premium in addition to the wage rates enumerated in this Collective Agreement.

Present employees when working in these classifications within their seniority retention period, will maintain their present wage rate and will receive the increases applying to those rates.

The present Production-Welders will be paid and will receive the same increases as other Production Classifications in Appendix "A1".

APPENDIX "B"

APPRENTICES

FOUR YEAR APPRENTICESHIP

- Start to 12 months 65% of Journeyperson Rate

- 3rd 6 months 70% of Journeyperson Rate

- 4th 6 months 75% of Journeyperson Rate

- 5th 6 months 80% of Journeyperson Rate

- 6th 6 months 85% of Journeyperson Rate

- 7th 6 months 90% of Journeyperson Rate

- 8th 6 months 95% of Journeyperson Rate

APPENDIX "C"

INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS

VANCOUVER LODGE 692

CLASSIFICATION DEFINITIONS

For the purpose of this Agreement the various Classifications are defined as follows:

- 1. **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 the work.
- 2. **<u>A Lead Hand</u>** is an employee who is able and willing to instruct others in the performance of their work, or who because of exceptional skill and ability or the nature of his/her work is so recognized by the Company.
- 3. <u>A Tool and Die Maker</u> is a Machinist who has acquired sufficient skill and knowledge to produce, repair and maintain, with or without drawings, tools, dies or jigs, or do appropriate development work on tools, dies or jigs.
- 4. **A Journeyperson** must possess the ability and qualifications to carry out any work in this trade as required by the Company with the aid of issued drawings or relevant information.

The Classification of Journeyperson-Tradesperson shall apply to those employees who are or become certified in their trade, plus those employees who are, in the opinion of the Company, proficient to perform the required work in the trade.

Employees who are not classified as Journeyperson-Tradesperson and who claim they are proficient to perform the work required in the trade may ask and be given a test as arranged in conjunction with the Union, Companies and the Ministry of Labour, PROVIDED they can fulfill the requirements of the International Association of Machinists and Aerospace Workers Constitution and the Bylaws of Vancouver Lodge #692.

5. <u>A Probationary Journeyperson</u> is one whose ability and qualifications to carry out any work in his/her trade are unknown to any employer on the lower mainland or Vancouver Island at the time of employment. Three (3) months' probationary period will allow him/her to train up to Journeyperson standards, during which time he/she will become a Journeyperson, reclassified or terminated.

- 6. **Production Machinists, Production Fitter** classifications are for those employees unable to meet Journeyperson standards. These classifications do not come into being until April 1st, 1968. In the interval period the Companies signatory to this Agreement and Vancouver Lodge 692, International Association of Machinists and Aerospace Workers Business Representatives will cooperate with the Ministry of Labour to secure trades tests for upgrading purposes of the production classifications.
- 7. **A Specialist** is an employee who is employed in some branch or subdivision of the Machinist Trade; or an employee who performs some particular line of work commonly recognized as work connected with the Machinist Trade or the Metal Industry; e.g. repetitious work on turret lathes, drill presses, cut-off saws, or other similar machines.
- 8. <u>A Helper</u> is an employee working in the Machine or Metal Industry in any of its branches or subdivisions and assigned to assist a Journeyperson in the Machinist Trade in the performance of his/her duties.
- 9. **<u>A Layout-Burner</u>** is an employee who is required to do routine layout and burn by hand and/or machine, with a minimum of supervision.
- 10. <u>A Fitter-Welder</u> is an employee who is required to fit and weld structural and miscellaneous fabrications.
- 11. <u>Students</u> Students may be employed in the shops during the summer vacation period and will be limited to two (2) students for each shop where practical.

Their duties shall be general clean-up, stock room or crib assistants, or other similar duties.

They shall not displace any Member of the Bargaining Unit nor shall they be employed when any Member of the Bargaining Unit is on lay-off.

They shall as a condition of employment pay Union dues while so employed.

12. <u>Labourer</u> (General Plant Clean Up) will not be employed to displace Helpers.

Letter of Understanding #1

Between

Charlie Smith Machine Works Ltd.

And

International Association Of Machinists and Aerospace Workers, Lodge 692

Subject: Semi Retired Members

The above named Parties agree to advocate that the Employees of Charlie Smith Machine Works Ltd. retire at the retirement age of sixty-five (65) as endorsed by the Canadian Labour Congress.

However in consideration of the desire of some employees to work on a casual basis after retirement and the critical shortage of skilled Trades people available to fill job vacancies, the parties have come to this agreement that will allow these members to continue working.

Semi-retired workers will not displace regular full-time employees, and where there is sufficient work a full-time employee shall be hired.

Members in this category will be compensated as follows:

- Regular Hourly Rate, and any applicable Overtime or Premiums as set out in the Collective Agreement.
- Company Pension Plan Contribution or the equivalent rate will be added to the hourly rate, for those individuals that no longer qualify for Pension Plan Contributions.
- In lieu of Vacation an additional four (4) Percent added to the hourly rate.
- The equivalent of hourly Health Plan Costs to be added to the Hourly rate.

Signed this	Day of	, 2012.	
For the Union		For the Company	