

COLLECTIVE AGREEMENT

Between

**PRO MAC MANUFACTURING LTD.
Duncan, British Columbia**

and

**INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE
WORKERS, VANCOUVER LODGE #692**

AUGUST 16, 2014 - AUGUST 15, 2017

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COLLECTIVE AGREEMENT

BY AND BETWEEN:

PRO MAC MANUFACTURING LTD.

(herein after referred to as the "Company")

AND:

**INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE
WORKERS, VANCOUVER LODGE NO.692 -VANCOUVER ISLAND**

(herein after referred to as the "Union")

DATE AND REFERENCE

This Agreement is dated for reference *August 16, 2014*, and named for reference the "PRO MAC MANUFACTURING LTD. - MACHINISTS LODGE NO. 692 (VANCOUVER ISLAND) COLLECTIVE AGREEMENT".

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.

Wherever the masculine is used in this Agreement, it shall be construed as if the feminine had been used where the context so requires and the rest of the sentence shall be construed as if the grammatical and terminological changes hereby rendered necessary have been made.

ARTICLE 1 - UNION RECOGNITION AND RIGHTS

1.01 Bargaining Agency

The Company recognises 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 Employee Definition

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 Council Certification and without restricting the generality of the foregoing shall not include foremen and those having authority to hire or discharge employees, office workers, supervisory officials, salesmen and watchmen.

1.03 No Other Agreement

No employee shall be required or permitted to sign any document or make a written or oral agreement with the Company or its representatives which may conflict with the terms of this agreement.

1.04 Written Correspondence

The Company shall forward to the Union all written correspondence between the Company and any employee in the bargaining unit pertaining to the interpretation or application of any clause in this Agreement.

1.05 Shop Stewards

- (a) The Union shall select one or more members from each shop or shift who will be known as shop stewards or the shop committee; and same shall be recognized by the Company. The Union agrees to officially notify Management in writing of the employees selected as Shop Stewards, and will also notify them promptly when there is any change in representation.
- (b) No shop steward, committee or employee shall be discriminated against or suffer loss of employment on account of membership or activity in the Union. Nothing in this section shall permit an employee to discuss Company or Union affairs, except grievances being processed, during paid hours of employment unless at the request of the management.
- (c) When the Company finds it necessary to lay off or discharge a shop steward, the Business Representative of the Union shall be notified prior to such layoff or discharge.
- (d) A reasonable allowance of time during working hours will be provided for the stewards to investigate, submit and discuss grievances with management.

1.06 Access to Company Premises

The Representatives of the Union may have access to the Company's shops or yards by applying for permission through the office, provided that workmen are not caused to neglect their work.

1.07 Notice Board

The Union may provide its own locked Notice Board (located at the Company provided area) for the posting of all official Union notices exclusively, and not to be used for disseminating political propaganda. All notices shall be submitted to a Company official for approval before posting.

1.08 Human Rights

The Parties agree there shall be no discrimination, interference, restriction, coercion, harassment, intimidation, or any disciplinary action exercised or practiced with respect to an employee by reason of age, race, creed, colour, national origin, religious affiliation, sex, sexual orientation, family status, mental or physical disability or membership or activity in the union. The Company and the Union also recognize the right of employees to work in an environment free from sexual harassment and agree that sexual harassment will not be tolerated in the work place. Should any dispute arise regarding any of the foregoing, the employee shall be entitled to recourse through the grievance procedure in this Agreement.

- (a) Any level in the grievance procedure shall be waived if a person hearing the grievance is the subject of the complaint.
- (b) If by reason of 1.08 (a) a level in the grievance procedure is waived, no other level shall be waived except by mutual agreement.

ARTICLE 2 - UNION SECURITY AND REMITTANCE

2.01 Union Shop

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 Code 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.

2.02 Dues Checkoff

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 Code 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 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.

2.03 New Employees

Notwithstanding the provisions of Article 2.02 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 the 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.

2.04 Dues and Other Remittance

- (a) All deductions as required under Section 2.02 and 2.03 shall be made in each calendar month the employee is employed by the Company.
- (b) 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 for whom deductions were made and the amount of each deduction.
- (c) 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.

2.05 Bargaining Unit Work

The Company agrees that only bargaining unit members may perform bargaining unit work in the Fabricating and Machining departments. The Company agrees to make every attempt and effort to have duties of the Shipping & receiving Dept., including pickup and delivery, carried out by the Shipping & Receiving Dept. Employees. It is understood that from time to time a staff member may perform minor tasks considered to be "customer good will".

ARTICLE 3 - MANAGEMENT

3.01 Management Rights

The management and operation of the plants and the direction of the working forces are vested exclusively in the Company.

3.02 Discipline, Promotion, Transfers

The Employer has and shall retain the right to select its employees, to hire, discharge, lay-off, classify, transfer, promote, demote or discipline them subject to the Grievance and Seniority Provision procedures enumerated in Articles 6, 7 and 8 of this Agreement. Employees may only be disciplined or discharged for just cause.

3.03 Company Rules

- (a) 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.
- (b) 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.

3.04 Instruction Procedure

Employees shall take orders only from their respective Foremen, or from the General Management when foremen are not immediately available.

3.05 Hiring Procedure

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 4 - HOURS OF WORK

4.01 Work Week

Five (5) shifts, Monday to Friday inclusive or the accepted variations therefrom shall constitute a regular week's work on all shifts. First and second shift may have the option of working a modified work shift in a two-week period for portions of the year – as approved by the Company. As an alternative, portions of crews on first or second shift may work a four (4) ten-hour shift for each week, or eight nine-hour days and an eight hour day in a two week period. These changes would be accommodated as machines and conditions permit.

These options can be initiated by the employees or Company, and may require a separate ratification vote of the affected employees.

4.02 Starting, Stopping and Meals

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 and not more than sixty (60) minutes. If all the members of the second shift agree, they may work without stopping for a lunch period. They will continue to stop for two (2) twelve (12) minute breaks during the second shift.

4.03 Hours of Work

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, between the hours of 8:00 a.m. and 5:00 p.m.

The warehouse employees may work an eight (8) hour day between the hours of 7:00 a.m. and 5:30 p.m.

4.04 Rest Periods

All employees shall be granted a twelve-minute (12) paid rest period (coffee break) during working hours in the middle of each half shift. Wherever practical, operations will continue. Employees must be back at their work stations within the time allotted.

4.05 Wash-Up and Tool Stowage

Employees shall be allowed five (5) minutes for personal cleanup and stowage of tools prior to the end of each shift.

4.06 Second Shift

If a second shift is employed, the standard hours of work shall be seven and one half (7 ½) hours per shift *and a premium of 6.7% shall be paid.*

4.07 Third Shift

If a third shift is employed, the hours of work shall be six and one half (6 ½) hours per shift for which eight (8) hours will be paid. The third shift shall commence at 12:30 a.m. on Tuesday. This shift shall not attract Saturday premiums.

4.08 Tuesday to Saturday Work Week

Employees employed on the forty (40) hour work week Tuesday through Saturday inclusive, shall receive a premium of five percent (5%) for all hours worked on this shift. Overtime in excess of eight (8) hours shall then apply in accordance with overtime provisions stipulated in this Agreement.

4.09 Notice of Shift Change

The Company will give employees seventy-two (72) hours' notice of shift change except where time will not permit. Example: Company or customer breakdowns and repairs, absences requiring the moving of employees to man a shift.

4.10 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 shall be considered as still working on his 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 own accord until a full shift break has elapsed.

Clarification

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.

4.11 Minimum Daily Hours

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

PROVIDED THAT if four or eight hours in (a) or (b) above is not available at his regular job, the employee shall perform such temporary work as may be assigned to him 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 voluntarily quits or lays off; or is discharged for cause,
- B. He was previously instructed not to report,

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

4.12 Machine Centres

If it is practical for an employee to perform other work while his machine is working, such work shall be arranged so as not to interfere with his primary task. For CNC machine centres, it is intended that a journeyman shall operate two machines when both machines are in production and cycle times make it practical to do so. While a journeyman is involved in change over, set up, and program development, a second employee will operate the other machine.

If in the opinion of the Journeyman, and the supervisor, it is impractical to run two machines with one employee, then the second employee will operate the other machine.

ARTICLE 5 - OVERTIME

5.01 Eliminate Overtime

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. When overtime is necessary, the employee working on the job will be given first opportunity. In all other cases, the principle of seniority shall govern and control assignment of overtime provided the employee has the ability to perform the work.

If no Employee volunteers for Overtime, the junior qualified Employee will be assigned the overtime. No Employee will be forced to work more than eight (8) hours overtime per week against his or her will.

5.02 Overtime Entitlement

All hours worked outside the standard hours and outside the established or modified shift hours shall be considered overtime and shall be paid as follows.

- (a) Double time for all work performed on customer demanded overtime work, otherwise,
- (b) Time and one half for the first two hours per day, and double time thereafter, to a maximum of 8 hours of one and one half pay per week.
- (c) Time and one half for the first two hours per day, and double time thereafter for overtime on a Saturday.
- (d) Double time for all work performed on Sundays.
- (e) Double time for all worked performed on a Statutory Holiday as enumerated in Article 10 of this Agreement.
- (f) *Employees will be informed prior to volunteering for overtime work if the job is customer demanded work or Pro Mac work.*

NOTE: If an employee works on a Statutory Holiday as provided for in Article 10.01, he will be paid double rate for the time worked on the Statutory Holiday, and in addition, if he qualifies, he will be paid eight (8) hours at his regular straight-time rate for the Statutory Holiday as provided for in Article 10.01.

5.03 Minimum Overtime Call-In

All Employees called in to work after normal shift hours during the week shall be guaranteed two (2) hours pay at overtime rates. Employees called in to work Saturdays, Sundays and Statutory Holidays shall be guaranteed three (3) hours overtime 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 overtime rates as outlined in article 5.01.

5.04 Early Call-In

Employees called in before the regular starting time shall be paid at overtime rates for time worked prior to their regular starting time.

5.05 Overtime Shift Change

If an employee is required to change shift more than once in a calendar week he will be paid at overtime rate for the balance of the week.

5.06 Overtime Meals

Employees who are requested to work more than two (2) hours overtime after completion of their regular shift will be provided *Twenty (\$20.00)* dollars 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 time for eating a meal shall be one half (1/2) hour, paid at overtime rates.

5.07 Work During Lunch Period

If an employee is required to work during his regular lunch break period, he will receive overtime rates of pay in the event that he is not allowed within one-half hour his full lunch period to consume his meal.

5.08 Banked Overtime

- (a) Upon request of the employee, duly authorised on the time card, the Company agrees to accrue appropriately equivalent overtime hours (ie: 4 hours at X2 = 8 hours straight time).
- (b) A maximum of eighty (80) regular banked hours can be accumulated and an employee can bank back to eighty (80) hours when he uses all or any portion of his banked overtime. A maximum of 120 regular-banked time hours can be used in a calendar year.
- (c) Banked hours are to be taken as time off during slack periods only.
- (d) Working for a second employer during banked time off shall be construed as moonlighting and subject to disciplinary action.
- (e) Banked hours cannot be taken in prime vacation period (June 15th - September 15th) or added to regular holidays and statutory holidays. The one exception to this is during slack periods or lack of work.
- (f) The minimum amount of banked overtime taken at any one time will be 4 hours or 1/2 day.
- (g) A minimum of 24 hours notice is required before taking banked overtime. The parties agree that regular banked time may be scheduled after all of an employee's allotted vacation is scheduled and approved. The Company agrees to consider all requests in good faith.
- (h) In the event of layoff, all banked overtime along with any other monies owed to the employees, will be paid out at the time of layoff as per the current practice.
- (i) Banked overtime will be accrued at the rate earned at the time of banking and will be paid out accordingly.

- (j) Banked overtime shall be paid in part or in full on regular pay checks by the Company, at the request of the employee.

ARTICLE 6 - GRIEVANCES AND COMPLAINTS

6.01 Grievances

An honest effort to settle all grievances without stoppage of work shall be made in the following manner:

Step 1

Within ten (10) working days of the occurrence the employee shall raise the matter with his foreman. The foreman shall reply to the employee within three (3) working days.

If settlement is not reached, then the matter shall proceed to Step 2.

Step 2

Within three (3) working days of receiving the foreman's answer in Step 1, the grievance shall be reduced to writing and the Shop Steward, with or without the aggrieved employees, shall present it to the foreman.

If the matter is not settled during the meeting, the foreman shall reply in writing accepting or denying the grievance within three (3) working days of receiving it and if necessary the matter shall proceed to Step 3.

Step 3

Within three (3) working days of receiving a negative answer from the foreman in Step 2, the Shop Steward and/or the Union Representative, with or without the griever, shall present the grievance to the Company Manager or his designate.

If the matter is not settled during the meeting, the Company Manager or his designate shall respond in writing accepting or denying the grievance within three (3) working days of receiving it, and, if necessary, the matter shall proceed to Step 4.

Step 4

Within seven (7) working days of receiving a negative answer from the Company Manager or his designate in Step 3, the Union may submit the matter to arbitration pursuant to Article 6.

6.02 Time Limits

The above mentioned time limits may be extended by mutual agreement in writing.

6.03 Signatures, Statements Not Required

Employees shall not be asked to sign or make any written statements upon written warnings or adverse reports.

6.04 Disciplinary Meetings

Where a supervisor intends to interview an employee for disciplinary purposes he shall notify the employee in advance of the purpose of the interview. The employee shall be accompanied by a Shop Steward or Union Representative, or other union member, or in the case of a Shop Steward, shall be accompanied by a Union Representative or other union member.

6.05 Right to Grieve Other Disciplinary Action

Disciplinary action grievable by the employee shall include written censures, letters of reprimand and adverse reports. An employee shall be given a copy of any such document placed on the employee's files which might be the basis of disciplinary action. Should an employee dispute any such entry' in his/her file, he/she shall be entitled to recourse through the grievance procedure, and the eventual resolution thereof shall become part of his/her personnel record. Any such document, other than formal employee appraisals, shall be removed from the employee's file after the expiration of twenty-four (24) months from the date it was issued, provided there has not been a further infraction. The Company agrees not to introduce as evidence in any hearing any evidence from the file of an employee, the existence of which the employee and Union were not aware at the time of filing.

6.06 Notice of Dismissal and Suspension

Notice of dismissal or suspension shall be in writing and shall set forth the reasons. All dismissals and suspensions will be subject to formal grievance procedure under Article 6. A copy of the written notice or dismissal or suspension shall be forwarded to the Business Representative within two (2) days of the action being taken.

6.07 Policy Grievance

Where either party to this Agreement disputes the general application, interpretation, or alleged violation of an Article of this Agreement, it shall be processed as a grievance beginning in Article 6.02, Step 2 (between the Business Representative of the Union and the Company).

ARTICLE 7 - ARBITRATION

- (a) A single arbitrator shall have all of the rights and responsibilities of three member Arbitration Board appointed under this section as a standard for this process. The Parties may also select a three-person board for arbitration. The Party desiring arbitration shall appoint a Member for the Board and shall notify the other Party in writing of the name and address of the person so appointed and particulars of the matter in dispute. For the purpose of this article, Arbitration Board shall refer to one or three arbitrators.

- (b) 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.
- (c) If applicable, the two (2) Arbitrators so appointed shall confer to select a third person to be Chairman, and failing for three (3) days from the appointment of the second of them to agree upon a person willing to act, either of them may apply to the Honourable, the Minister of Labour, to appoint such third Member.
- (d) The Arbitration Board shall sit, hear the Parties, settle the terms of the question to be arbitrated, and make its award within ten (10) days from the date of the appointment of the Chairman, provided the time may be extended by agreement of the Parties.
- (e) If the Arbitration Board finds that an employee has been unjustly suspended, discharged, or laid-off, that employee shall be reinstated by the Company without loss of pay and with all his rights, benefits and privileges which he would have enjoyed if the suspension, discharge or layoff had not taken place,

PROVIDED THAT if it is shown to the Board that the employee has been in receipt of wages during the period between discharge, suspension or lay-off and reinstatement, the amount so received shall be deducted from wages payable by the employer pursuant to this Clause.

AND PROVIDED THAT the Arbitration Board shall have authority to order the employer to pay less than the full amount of wages lost if, in the opinion of the Board, such lesser sum is fair and reasonable.

- (f) The Arbitration Board shall have the power to determine whether a particular issue is arbitrable under this Agreement.
- (g) If the award of the Arbitration Board is subsequently set aside by a court of competent jurisdiction the question shall, at the request of either Party, be submitted to another Arbitration Board appointed pursuant to and with all the powers provided by this Clause.
- (h) The expenses and remuneration of the Arbitration Board shall be paid by the Parties in equal shares.
- (i) Without restricting the specific powers herein before mentioned, the Arbitration Board shall have all the general powers of an Arbitration Board.

ARTICLE 8 - SENIORITY

8.01 Probation Period

When a new employee is hired, it is agreed that he shall be on probation for thirty (30) calendar days and during this period seniority will not be applicable. A Journeyman with ticket and BC references shall serve the thirty (30) days probation period at a Journeyman's rate. When requested by the Company a thirty (30) days extension may be granted. A Journeyman without certification or BC references shall serve a maximum of ninety (90) days probation at a Probationary Journeyman's rate. When the probationary period is completed the probationary Journeyman will be reclassified or terminated. Seniority will commence from the date of hiring, except as provided in the Apprenticeship Article of this Agreement.

8.02 Probation on Re-Entry

An employee re-entering the employ of the Company after his right to recall has expired will not be subject to another probationary period. An employee who has left the Company for voluntary or involuntary termination shall be subject to the probationary period of Article 8.01.

8.03 Bargaining Unit Seniority

When a member of the bargaining unit is transferred within the Company to a position outside the unit and at a later date is transferred back to the bargaining unit, seniority for the purpose of layoff will be recognized as accumulated time spent in the bargaining unit only.

8.04 Layoff

- (a) In the event of lay-offs, the principle of last man on, first man off, shall prevail provided the employee is qualified and able to perform the available work. Chargehand status will not be grounds for out of seniority layoff.
- (b) The exception to the foregoing is in shops where the Workers' Compensation Regulations require a First Aid Attendant. If the First Aid Attendant is a bargaining unit member, the senior employee with the required First Aid Certificate shall be the First Aid Attendant and shall not be laid off provided there is sufficient work to keep him employed. Senior employees who are on layoff and who obtain the required First Aid Certificate may bump a First Aid Attendant with less seniority, subject to (a) above.

8.05 Recall and Vacancies

When vacancies occur, the Company shall re-hire laid off employees according to the principle of last man off, first man on providing the employee is qualified and able to perform the available work. The Company shall make personal contact with laid-off employee and if unable to do so, they shall send the employee a letter by registered mail or union courier and notify the Steward and the Union. It is the employee's responsibility to keep the employer advised of his current address and telephone number.

8.06 Seniority Retention

A laid-off employee shall retain seniority and recall rights with the Company in accordance with the following:

- (a) less than twelve (12) months of seniority - six (6) months following the date of layoff;
- (b) twelve (12) months and less than forty eight (48) months of seniority-twelve (12) months following the date of layoff;
- (c) forty eight (48) months of seniority or more- twenty four (24) months following the date of layoff.

8.07 Seniority Maintained and Accumulated

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

8.08 Seniority Not Accumulated

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.

8.09 Seniority Broken

Seniority will be broken by:

- (a) Voluntary quitting of job.
- (b) Exceeding authorized leave of absence, unless for legitimate cause.
- (c) Is recalled to work and does not report within three (3) working days of receiving notice by Registered Mail unless failure to report to work proved to be unavoidable.

It being understood that the employees may refuse a recall or less than three (3) continuous weeks duration. It is understood that employees who refuse work under this section cannot bump a junior employee who accepted the work for the period of time which he earlier refused.

An employee who intends to bump under this section may be required to give two (2) working days notice and would commence work at the start of the next work week.

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

8.10 Seniority List

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.

The Company shall maintain and make available to the Union separate seniority lists for the Machine Shop, the Fabrication Shop and Shipping and Receiving Department.

8.11 Job Posting

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. The definition of a new job shall include vacancies created by the addition of new machinery, the modification of existing machinery and/or procedures, or combination thereof.

ARTICLE 9 - VACATIONS

9.01 Vacation Entitlement

Employees will receive vacations and be paid for the vacation in accordance with the following schedule. Vacation eligibility is based on years of service with Pro Mac Industries and Pro Mac Manufacturing.

<u>YEARS OF CONTINUOUS SERVICE</u>	<u>VACATION PERIOD</u>	<u>VACATION PAY</u>
Less than one year	1 day for each major fraction of month worked (max. 10 working days)	4%
1 year but less than 3 years	2 weeks	4 1/2 %
3 years but less than 8 years	3 weeks	6 1/2 %
8 years but less than 14 years	4 weeks	8 1/2 %
14 years but less than 19 years	5 weeks	10 1/2 %
19 years and over	6 weeks	12 1/2%

All employees will take annual vacation in accordance with Section 9.06. The minimum amount of vacation taken at any one time will be four (4) hours of ½ day.

9.02 Vacation List

The Company will post a vacation calendar by February 1st on which employees will set out their preferences not later than March 31st. Subject to the Company's production requirements and Article 9.04, senior employees in each department or classification will be given preference in selecting their vacation period. Seniority preference in selecting vacation periods will not apply after April 1st. Confirmation of booked vacation time shall be within five (5) days from when requested after April 1st.

9.03 Vacation Scheduling

Two 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. Pro Mac shall allow a maximum of six (6) machine shop employees to take vacation at a time in the summer months.

9.04 Notice of Vacation Change

An employee's scheduled vacation period shall not be changed by the Company within the two month period immediately preceding the start of the vacation period without the consent of the employee concerned.

9.05 No Carry-Over

Each employee shall be required to take the full annual vacation period that he is entitled to under the provisions of this Agreement in the current year. No employee shall be required to take any annual vacation in a year when that employee's layoff time equals or exceeds his vacation entitlement.

If vacation time is not chosen by September 30th, the Company will assign vacation time. In all cases, personal circumstance will be taken into consideration regarding scheduling but the vacation time must be taken.

9.06 When Payable

Effective January 1, 2012:

The vacation pay will be paid by one of the three options below from which each employee must select. If no option is selected, vacation pay will be bi-weekly.

- 1) Bi-Weekly on the cheque
- 2) Accumulated payout after first payday in June, to be no later than June 15th
- 3) Accumulated payouts after first payday June, to be no later than June 15th and after first payday December, to be no later than December 15th

The choice will be made for the next year before January 1st of the year in question.

9.07 Vacation and Pay

Vacation eligibility is resolved on the principle that the employee receives all vacation and vacation pay earned.

9.08 Eligibility Lists

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.

9.09 Anniversary Date

When an employee reaches his qualifying anniversary date he will become entitled to one additional week of vacation with pay, in accordance with the current Collective Agreement.

At the next cut-off date (31st December), his vacation time and pay will adjusted to the cut-off date.

ARTICLE 10 - STATUTORY HOLIDAYS

10.01 Paid Holidays

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 5.02 of this Agreement.

- | | | | |
|----|----------------|-----|--|
| 1. | New Year's Day | 8. | Thanksgiving Day |
| 2. | Family Day | 9. | Remembrance Day |
| 3. | Good Friday | 10. | Christmas Day |
| 4. | Victoria Day | 11. | Boxing Day |
| 5. | Canada Day | 12. | Floating Statutory Holiday |
| 6. | B.C. Day | 13. | 2 nd Floating Statutory Holiday |
| 7. | Labour Day | | |

10.02 Weekend Holiday

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 Friday and Monday.

10.03 Floating Statutory Holiday

The 12th and 13th guaranteed Floating Statutory Holiday with pay shall be granted to all employees who qualify with the provisions contained in Article 10.01 of this Agreement; these floaters will be retroactively corrected financially on their final pay-out if an employee leaves the Company partially through a year.

These holidays will be a Floating Holiday at a time mutually agreed to between each employee and the employer.

10.04 Holiday Eligibility

In order to qualify for eight (8) hours' pay for a Statutory Holiday, as enumerated in Articles 10.01, 10.02 and 10.03, the employee must have:

- (a) Thirty (30) days' seniority 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 a bona fide illness for a period not in excess of two (2) calendar months. A Doctor's note shall be submitted as proof when the employee is absent and requested by the Company. If a note is requested by the Company, then the Company will pay any costs and will pay for the time during working hours, if necessary.
- (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.

10.05 Temporary Employee

Employees hired for temporary work, after completing their probation period, can, at the discretion of the employee, receive 4.6% of gross pay on each cheque in lieu of statutory holiday pay.

Any employee working more than ninety (90) continuous calendar days will be paid statutory holiday pay as per Article 10.01 through 10.04. The first holiday paid may be pro-rated with pay received since the last statutory holiday.

ARTICLE 11 - WAGES AND ALLOWANCES

11.01 Rates of Pay

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

11.02 Pay Rate When Working In A Higher Classification

An employee performing work classified at a higher rate of pay, shall receive the higher rate of pay while performing such work, providing the employee performs a minimum of three (3) hours of such work in a day. Employees performing work classified at a higher rate of pay for six (6) hours or more per day shall be paid at the higher rate of pay for all hours worked that day.

11.03 Right to Pay Higher Wages

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.

11.04 New Classification

When a Company establishes a new classification, it shall notify the Union of the wage rate. If the Union disagrees with the rate, the Company and the Union will attempt to settle the wage rate by negotiation. Failing agreement, the matter may be referred to arbitration. The negotiated or arbitrated rate shall apply from the date the classification was established.

11.05 Pension Plan

(a) Contributions

The Company shall contribute the following amounts monthly, for each employee in the bargaining unit, to a Pension Plan designated by the Union or to an individual RRSP with a financial company or group to be chosen by the majority.

Employer Contributions:

Effective August 16, 2013

10% of hourly rate for each hour paid

Effective August 16, 2014

Bonus Contribution of \$108.00 per month

Employees hired before August 16, 2008 will continue to receive \$2.60/hour until such times as their percentage rate is greater.

Employee Contributions:

Effective August 16, 2008

3% of hourly rate for each hour paid

Clarification: The pension contribution amount will be the same for each hour of regular time, overtime, holiday or vacation paid, a percentage of the straight time hourly rate.

See Appendices "B" and "C"

(b) All employees in the bargaining unit shall participate in the Plan. New employees shall participate in the Plan on the first day of the month following **sixty (60)** ~~thirty (30)~~ calendar days of employment.

- (c) Employer and employee contributions shall be forwarded by the Company to the Plan not later than the fifteenth (15) day of the month following that for which contributions cover. The Company must use the report forms provided by the Plan.
- (d) Retirement funds may only be withdrawn by an employee at the time he/she ceases to be an employee as defined by this Agreement.
- (e) Pension contributions shall be paid for each hour the employee receives compensation including overtime, holidays and vacations.

11.06 Use of Employee Cars

Employee vehicles can be used on Company business only if authorized by the Company.

When an employee vehicle is used on Company business the employee will be reimbursed as per the Revenue Canada schedule with a minimum of ten (10) miles payment, or sixteen (16) kilometres payment.

It will not be a violation of this Agreement for an employee to refuse to use his 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.

11.07 Painting & Sandblasting Allowance

Employees employed over two (2) hours per day at spray painting or sand blasting will be paid thirty (\$.30) cents per hour in addition to their regular classified rate.

11.08 Travel Allowance

When an employee is required to work at points outside a nine (9) mile radius from the shop, he shall receive travelling time on the following basis:

- (a) 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 (1 1/2) up to a maximum of eight (8) hours in any twenty-four (24) hour period. All travel time for Saturday and Sunday and any Holiday will be paid for at time and one-half (1 1/2) to a maximum of eight (8) hours in any twenty-four (24) hour period. The exception to this provision would be where appropriate 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 shall also be provided with appropriate fares, accommodation and board, at no cost to the employee.

All time spent driving a Company vehicle shall count as time worked

(b) Starting and Stopping Location

In going to work outside the nine (9) mile radius from the shop and returning daily, men shall be at such nine-mile radius at the starting time and allowed time to return to such nine-mile radius at the close of the work day.

They shall be paid all fares to and from the nine-mile radius to place of work, or alternatively be supplied with transportation by the employer.

It is understood that where employees reside outside the nine-mile radius where the work is being done that they shall report to and finish work at the regular starting and stopping time.

11.09 Field Scale Rates

For work performed outside a nine-mile radius from the shop, all employees so engaged shall receive, in addition to their classification rate of pay, a premium of five percent (5%) per hours.

This shall not apply if the employee is receiving the Construction rate of pay in conjunction with the Building Trades.

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

When the Company's operations include work within the nine-mile radius from the shop, shop rates shall prevail on repair and overhaul and the resetting of machinery and engines.

However, where same is ruled to be new construction or when other construction unions affiliated with the Building Trades Council are involved, then the Construction rates shall apply.

11.10 Building Trades Rates

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 he shall receive travelling time, fares, appropriate accommodation and board, as enumerated in the current Construction Agreement.

11.11 Pulp Mill Rates

When performing maintenance or shutdown work in a Plant where higher wage rates are in effect, the higher wage rates will apply to all hours thus worked.

11.12 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 – upon successful completion and passing of the trades related course (does not include first aid training). 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 shall be given the required time off without loss of pay.

11.13 Pay Cheques

Pay cheques will be deposited in the bank accounts of the employees choice. Up to three bank accounts can be utilized by the payroll system.

The Company shall also provide a separate written statement of wages for the pay period stating (in accordance with the payroll system limitations):

- (a) the hours worked and the employee's wage rate,
- (b) the hours worked by the employee for which payment of wages is made at the overtime rate,
- (c) the amount of each deduction from the earnings of the employee and the purpose of each deduction,
- (d) the pension contribution,
- (e) the amount being received by the employee,
- (f) vacation pay earned and the amount paid when applicable,
- (g) a cumulative total of the vacation pay to end of the pay period,
- (h) any money, allowance or other payment the employee is entitled to,
- (i) the employee's gross and net wages.
- (j) the cumulative running totals of amounts paid and amounts deducted for the current year.
- (k) the employee's floater holiday amounts paid will be shown.

11.14 Boot Allowance

The Company shall, once in each calendar year from January 1 to December 31, pay to employees with six or more months of service up to two hundred dollars (\$200.00) towards the purchase or repair of W.C.B. approved footwear (one or more pairs) and/or related accessories that must be used at the workplace.

Where the receipt exceeds two hundred dollars (\$200.00), an employee may request reimbursement up to a further two hundred dollars (\$200.00) maximum, but will forfeit their next annual entitlement.

To claim reimbursement, a receipt or other proof of purchase must be presented.

11.15 Separation Pay and Records

- (a) If an employee is discharged by the Employer, he shall be paid in full for all monies owing to him by the Employer on the date of his discharge.

- (b) If an employee quits the Employer of his own accord, the Employer may withhold payment for five (5) calendar days after the employee quitting, and must pay on the sixth (6th) day.
- (c) When an employee leaves the employ of the Employer for any reason, the Employer shall give to the employee his/her Record of Employment, as per current regulation.

11.16 Company Tools

No employee will be paid off until he produces a receipt for any Company owned tools or equipment which have been issued to him.

11.17 Bonus Payment

All Employees will receive, after three months of service, a monthly bonus equal to the cost of the Long Term Disability and Short Term Disability.

ARTICLE 12 - HEALTH, WELFARE AND INSURANCE

12.01 B.C. Medical 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. All employees shall be covered by this Plan commencing with the first (1st) day of the month following 30 calendar days of employment.

12.02 Insurance Plan

- The Company agrees to pay one hundred percent (100%) of the monthly premium to maintain the Machinists Lodge 692 Insurance Plan as follows with the exception of 12.03 Wage Loss Insurance and 12.05 Long Term Disability.
- The employees shall pay one hundred percent (100%) of the monthly premium for 12.03 Wage Loss Insurance and 12.05 Long Term Disability so the benefits will be non-taxable to the employee
- An employee will become eligible and shall be covered by *MSP, EHB, Dental and Life plan* on the first (1st) day of the month following *two (2) months* of employment, *as described below:*
- Wage Loss Insurance Plan, and Long Term Disability Plan:
 - New employees will become eligible and shall participate in the Long Term Disability Plan on the first (1st) day of the month following three (3) months of employment.
 - New employees will become eligible and shall participate in the Wage Loss Insurance Plan on the first (1st) day of the month following three (3) months of employment.

- Life Insurance \$70,000
- A.D. & D. Insurance \$70,000
- ❖ Extended Health Benefits which shall now include a Drug Pre-payment Card with a twenty-five dollars (\$25.00) annual deductible, eighty percent (80%) reimbursement and twenty-five thousand dollar (\$25,000) limit per twenty-four (24) months.
- ❖ All premiums shall be forwarded to the Plan by the Company.

12.03 Wage Loss Insurance

Weekly Indemnity benefits will be equal to two-thirds (2/3's) of the employee's weekly rate, but not to exceed the E.I. maximum. Benefits will be indexed to the E.I. maximum per week. Benefits will commence on the first day of accident, the fourth day of illness and will continue for a maximum of twenty-six (26) weeks.

12.04 Dental Plan

LODGE 692 DENTAL PLAN as follows:

- Coverage: Basic Dental 100% }
- Prosthetic Appliances {\$2,000 combined 50% } annual limit
 Crowns & Bridges
- Orthodontia 50% - \$1,500 lifetime limit until 16 Aug 2004
 - \$3,000 lifetime limit effective 16 Aug 2004
- Participation A condition of employment.

12.05 Long Term Disability

Long Term disability coverage equal to sixty-six and two-thirds percent (66 2/3%) of the employee's first two thousand and five hundred dollars (\$2,500) and fifty percent (50%) of the remainder of the employee's month earnings, to a maximum benefit of \$4,000.00 per month. This benefit is not reduced by disability income from any other source until such time as the employee's disability income from all sources totals eighty five percent (85%) of his pre-disability earnings, after which there is full offset. Benefits end at age 65. The employee pays the complete premium so the benefits will be not taxable.

12.06 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. Upon return after more than 3 months, coverage will resume at the 1st of the next month.

If the employee wishes to be covered for the E.H.B., Insurance and Dental Plans longer than three (3) months he may do so by paying 100% of the premium for the E.H.B., Insurance and Dental Plans through the Company office. The employee will be responsible for the Medical Plan premium. Employees recalled from layoff after the seventh day of the month will have their eligible Health, Welfare and Insurance Plans reinstated on the first of the following month. Employees recalled within seven days of the start of the month will have their Health and Welfare benefits reinstated as of the month of recall. Pension of RRSP will be paid on all hours earned from the date of recall.

If a covered employee is on a leave of absence the employee may continue to be covered, to a maximum of three (3) months, by paying 100% of the premium through the Company office. Upon return after more than 3 months, coverage will resume at the start of the next month.

Employees shall be given the opportunity to continue benefit coverage for a maximum of three (3) months upon layoff by paying 100% of the benefit premiums.

Payments must be received by the 1st of the month.

12.07 Travel Insurance

The Company agrees to provide travel accident insurance coverage of \$25,000.00 for employees while travelling on Company business at no cost to the employee.

ARTICLE 13 - OCCUPATIONAL HEALTH AND SAFETY

13.01 Safety Committee

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.

13.02 Report of Injury

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 on returning to work. A copy of his accident report will be supplied on request. If the injured employee is unable to work the balance of the shift, the Company will pay such employees normal daily earnings for the day of the injury.

13.03 Summoning First Aid Attendant

A buzzer or other device to summons a First Aid Attendant will be provided in Companies where it is required to have First Aid Services.

13.04 Transportation to Hospital

Free transportation to the nearest doctor or hospital and to the employee's home if required will be arranged by the Company.

13.05 First Aid Attendants

\$0.45 per hour over occupational rate - "1" ticket
\$0.65 per hour over occupational rate - "2" ticket
\$0.75 per hour over occupational rate - "3" ticket

The First Aid Certificate requirement of the Workers' Compensation Board for each individual Company will determine the premium that will be paid. The applicable First Aid Attendant pay premium will be paid for all hours worked for those employees on duty as First Aid Attendants. The principle of seniority shall govern and control assignment of First Aid training and staffing. Employees will have right of first refusal on a seniority basis.

13.06 Safety Glasses

Glasses will be supplied to all permanent employees in the following way:

Safety Glasses are available at no cost to the employee from an Optometrist registered under the ProMac Plan (BCOA). Frames and lenses can be replaced once every two (2) years. Exception(s) lenses can be replaced more frequently when there is substantial pitting or scratching. Damaged frames should be repaired if possible or replaced as required.

13.07 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 interference prohibit adequate communications between workers, other arrangements will be made.

13.08 Sanitary Facilities

Sanitary facilities shall be provided by the Company in accordance with the Occupational Environment Regulations. Employees will co-operate by observing the simple rules of cleanliness.

ARTICLE 14 - GENERAL PROVISIONS

14.01 Moonlighting

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 (2) 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 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.

14.02 Lunch Room

The Company will supply suitable accommodation where employees may have their lunch.

14.03 Welders' Gloves

The Company will supply welder's 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.

14.04 Coveralls or Smocks

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.

14.05 Metric Tools

The Company will supply metric tools as required by the Company and such tools shall remain the property of the Company.

14.06 Loss of Tools

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 gross negligence during, or in connection with the employee's employment duties.

14.07 Security & Safety Devices:

These devices shall be utilized for safety and security and not for the purpose of monitoring employee production or productivity.

14.08 Training Committee

A joint Union/Management Committee will select trainees and oversee apprenticeships. There will be two representatives appointed by each Party.

14.09 Custom Earplugs

The Company shall pay 50% for standard custom earplugs once every three years. Employees must have one year service to qualify.

ARTICLE 15 - SPECIAL AND OTHER LEAVE

15.01 Bereavement Pay

In the case of death in an employee's immediate family specifically husband, wife, child, mother, father, stepmother, stepfather, brother, sister, mother-in-law, father-in-law or grandparents, or common law spouse, and common law spouses parents only, the Company will grant the employee two (2) days' leave of absence with his regular Classification pay if he attends or arranges for the funeral. In addition, an employee may take an additional day off **with** pay if the funeral is off Vancouver Island.

15.02 Jury Duty

If an employee is called or selected for Jury Duty and/or called as a subpoenaed witness for the Company, 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, as described above, the employee shall receive his regular pay while absent from work. If an employee is called for Jury Duty but not selected he will return to work within a reasonable length of time.

Note: The Company will pay this benefit for only two employees in each year of this Agreement.

15.03 Leave-of-Absence

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 six (6) 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.

Leave-of-absences for union official relating to Union business will be limited to a maximum of ten (10) days per year.

15.04 Leave During Work Hours

Employee will not absent themselves from work without advising the Management. Employees will not leave the plant during working hours without permission. Failure to obtain permission shall be cause for progressive discipline up to and including termination.

ARTICLE 16 - APPRENTICES

16.01 Apprentice Probation

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.

16.02 Apprentice Seniority

Apprentices shall be bound by all the conditions of the Collective Agreement as follows:

- (a) Apprentice plant seniority for the purpose of all provisions of the Agreement shall be based on the date of hire into the bargaining unit or when an employee transfers into the bargaining unit.
- (b) For the purposes of lay-off and recall, seniority shall commence with the date that the Apprentice was hired by the Company. Seniority shall apply in accordance with other sections of this Agreement, unless a ratio of five (5) Journeyman to one (1) Apprentice would be exceeded. Employees hired before April 1, 1992 shall not be displaced by an apprentice in a layoff situation.

16.03 Apprentice Wage Rates

Apprentice wage rates shall be as set out in Appendix "D".

16.04 Trade School Pay

When Apprentices attend authorized training classes in their trade during normal working hours, the Company will make up the difference between 95% of their regular rate of pay and Government subsidies the Apprentice may be in receipt of.

16.05 Field Work

Apprentices shall not be required to work alone in the field until the final year of Apprenticeship.

16.06 Orders

Apprentices can be required to take orders from the Journeyman with whom they are working as well as the regular Company Supervisor.

16.07 Apprentice Ratio

The maximum number of Apprentices to Journeymen in the shops shall not exceed four (4) Journeymen to one (1) Apprentice, except when departmental layoffs occur in accordance with Article 16.02(b). The Company will attempt to balance the ratio on a departmental and shift basis. Temporary absences shall not affect the ratios.

The above Apprentice ratio may be increased only on mutual agreement between the Parties to this Agreement.

16.08 Reclassification on Completion

An Apprentice having served his required time at the trade, and having passed the necessary examinations, will automatically be classified as a Journeyman and paid rates and conditions as enumerated in this Agreement for the Journeyman Classification.

16.09 Training Improvements

During the term of this Agreement the Parties (Union represented by Business Representative or his designee) will meet every six (6) months to discuss and implement improvements to Apprenticeship training in accordance with the Company requirements, as well as provincial, federal, and other apprenticeship governing body guidelines.

ARTICLE 17 - SAVINGS CLAUSES

17.01 Present Condition Maintained

No provision of this Agreement shall be used to remove working conditions or reduce wages presently in force

17.02 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 Right to Respect Picket Line

It shall not be a violation of this Collective Agreement if Members of this Union respect and/or honour a legal picket line.

17.04 Legislative Change

Should any part herein 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.

17.05 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 other, the Company shall endeavour wherever possible to have its subcontract work performed by a union shop.

ARTICLE 18 - TECHNOLOGICAL CHANGE

In the event the Company proposes the introduction of new equipment in its operation requiring specialized training, the Company shall notify the Union in writing one (1) month in advance and post such notice on the Bulletin Board.

The Company shall give employees, in order of seniority in the affected classification the opportunity to operate and/or train to operate the equipment provided such employees have the basic qualifications and ability to fill the position.

In the event of termination of seniority as a result of technological change, the affected employee shall be eligible for severance pay of one (1) week's pay for each year of continuous service, to a maximum of ten (10) weeks' pay. Severance pay shall not be applicable under this Article when an employee resigns, retires, is discharged for cause, or is laid off for lack of work. Employees receiving any severance payment prior to the expiry of their right to recall period shall forfeit seniority rights under this Agreement. For the purpose of this section, each employees years of service shall be calculated from his date of hire but not earlier than August 16, 1993.

ARTICLE 19 - SEVERANCE PAY FOR PLANT CLOSURE

- (a) Employees on the seniority list, who have two (2) or more years of service with the Company, who are terminated because of plant closure, or significant relocation of the plant which would require the employee to move shall be entitled to severance pay of one (1) weeks' pay for each completed year of service up to a maximum of ten (10) weeks. For the purpose of this section, each employees years of service shall be calculated from the date of hire but not earlier than August 16, 1993.
- (b) An employee receiving severance pay or pay in lieu of notice before the end of his right to recall period, shall forfeit all seniority rights accruing to him under this Agreement.
- (c) This Article does not apply when an employee retires, resigns, or is discharged for cause.

ARTICLE 20 - JOINT UNION/MANAGEMENT COMMITTEE

There shall be two (2) representatives from the Union and two (2) representatives from the Company on the Committee.

The purpose of the Committee shall be to promote the co-operative resolution of workplace issues, to respond and adapt to changes in the economy, to foster the development of work related skills and to promote workplace productivity.

The Committee shall meet monthly, unless otherwise agreed.

Written minutes of the meetings shall be kept and posted on bulletin boards.

ARTICLE 21 - DURATION OF AGREEMENT

21.01 Duration

- (a) This Agreement shall be in full force and effect from and including August 16, **2014** to and including August 15, **2017** subject to the right of either Party to this Collective Agreement, within four (4) months immediately preceding the date of August 15, **2017** 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.

(b) **Notice Precludes Change**

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.

21.02 Strikes and Lockouts

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.

21.03 Section 50 Precluded

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 AT _____ this _____ DAY OF _____ 20_____

**INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE
WORKERS, VANCOUVER LODGE NO. 692**

PRO MAC MANUFACTURING LTD.

Business Representative

President

Committee Member

APPENDIX "A"

WAGE RATES AND CLASSIFICATIONS:

	<u>EFFECTIVE</u> <u>Aug. 16/14</u>	<u>EFFECTIVE</u> <u>Aug.16/15</u>	<u>EFFECTIVE</u> <u>Aug. 16/16</u>
JOURNEYMEN TRADESMAN (Machinists, Fitter, Engine Fitter)	\$34.34	\$35.20	\$35.90*
JOURNEYMEN MECHANIC	\$34.34	\$35.20	\$35.90*
PROBATIONARY JOURNEYMAN	\$30.91	\$31.68	\$32.32*
SPECIALIST	\$30.26	\$31.02	\$31.64*
PAINTER (Must be qualified in all painting procedures and must be able to apply paints without supervision)	\$30.26	\$31.02	\$31.64*
MOBILE EQUIPMENT OPERATOR (Full Time)(Over 4 tons capacity)	\$28.89	\$29.61	\$30.21*
HELPER AND TOOL CRIB ATTENDANT	\$21.42	\$21.96	\$22.40*
LABOURER (General Plant Cleanup)	\$17.14	\$17.57	\$17.92*
STUDENT	\$15.39	\$15.77	\$16.09*

CHARGE HAND: (above employee's regular job rate) 7%

LEAD HAND: (above employee's regular job rate) 4%

****COLA protection to 3% in third year based on the yearly inflation rate for the month of JUNE 2016 for the BC All Item Index.***

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.

APPENDIX "A"

WAGE RATES AND CLASSIFICATIONS:

	<u>EFFECTIVE</u> <u>Aug. 16/14</u>	<u>EFFECTIVE</u> <u>Aug.16/15</u>	<u>EFFECTIVE</u> <u>Aug. 16/16</u>
JOURNEYMAN STEEL FABRICATOR	\$34.34	\$35.20	\$35.90*
JOURNEYMAN WELDER <i>RED SEAL</i>	\$34.34	\$35.20	\$35.90*
<i>PROBATIONARY JOURNEYMAN</i>	<i>\$30.91</i>	<i>\$31.68</i>	<i>\$32.32*</i>
<i>WELDER C of A</i>	<i>\$32.62</i>	<i>\$33.44</i>	<i>\$34.11*</i>
<i>WELDER LEVEL 2</i>	<i>\$25.76</i>	<i>\$26.40</i>	<i>\$26.93*</i>
<i>WELDER LEVEL 1</i>	<i>\$20.60</i>	<i>\$21.12</i>	<i>\$21.54*</i>
LAYOUT BURNER	\$31.25	\$32.03	\$32.67*

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.

WAREHOUSE PERSON (CERTIFIED)	\$28.00	\$28.70	\$29.27*
WAREHOUSE PERSON (NON-CERTIFIED)	\$25.62	\$26.26	\$26.78*
SHIPPER/RECEIVER	\$24.85	\$25.48	\$25.98*

New employees with no experience will serve a three (3) year apprenticeship, and will graduate as qualified journeymen warehouse person.

**COLA protection to 3% in third year based on the yearly inflation rate for the month of JUNE 2016 for the BC All Item Index.*

APPENDIX "B"

WAGE RATES AND CLASSIFICATIONS:

<i>Effective August 16, 2013:</i>	<i>10% of Hourly Rate per Hour Paid</i>		
	<u>EFFECTIVE</u> <u>Aug. 16/14</u>	<u>EFFECTIVE</u> <u>Aug.16/15</u>	<u>EFFECTIVE</u> <u>Aug. 16/16</u>
JOURNEYMEN TRADESMAN (Machinists, Fitter, Engine Fitter)	\$3.43	\$3.52	\$3.59*
JOURNEYMEN MECHANIC	\$3.43	\$3.52	\$3.59*
PROBATIONARY JOURNEYMAN	\$3.09	\$3.17	\$3.23*
SPECIALIST	\$3.03	\$3.10	\$3.16*
PAINTER (Must be qualified in all painting procedures and must be able to apply paints without supervision)	\$3.03	\$3.10	\$3.16*
MOBILE EQUIPMENT OPERATOR (Full Time)(Over 4 tons capacity)	\$2.89	\$2.96	\$3.02*
HELPER AND TOOL CRIB ATTENDANT	\$2.14	\$2.20	\$2.24*
LABOURER (General Plant Cleanup)	\$1.71	\$1.76	\$1.79*
STUDENT	\$1.54	\$1.58	\$1.61*

**COLA protection to 3% in third year based on the yearly inflation rate for the month of JUNE 2016 for the BC All Item Index.*

APPENDIX "B"

WAGE RATES AND CLASSIFICATIONS:

<i>Effective August 16, 2013:</i>	<i>10% of Hourly Rate per Hour Paid</i>		
	<u>EFFECTIVE</u> <u>Aug. 16/14</u>	<u>EFFECTIVE</u> <u>Aug.16/15</u>	<u>EFFECTIVE</u> <u>Aug. 16/16</u>
JOURNEYMAN STEEL FABRICATOR	\$3.43	\$3.50	\$3.59*
JOURNEYMAN WELDER <i>RED SEAL</i>	\$3.43	\$3.52	\$3.59*
<i>PROBATIONARY JOURNEYMAN</i>	<i>\$3.09</i>	<i>\$3.17</i>	<i>\$3.23*</i>
<i>WELDER C of A</i>	<i>\$3.26</i>	<i>\$3.34</i>	<i>\$3.41*</i>
<i>WELDER LEVEL 2</i>	<i>\$2.58</i>	<i>\$2.64</i>	<i>\$2.69*</i>
<i>WELDER LEVEL 1</i>	<i>\$2.06</i>	<i>\$2.11</i>	<i>\$2.15*</i>
LAYOUT BURNER	\$3.12	\$3.20	\$3.27*

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.

WAREHOUSE PERSON (CERTIFIED)	\$2.890	\$2.87	\$2.92*
WAREHOUSE PERSON (NON-CERTIFIED)	\$2.56	\$2.63	\$2.68*
SHIPPER/RECEIVER	\$2.49	\$2.55	\$2.60

New employees with no experience will serve a three (3) year apprenticeship, and will graduate as qualified journeymen warehouse person.

**COLA protection to 3% in third year based on the yearly inflation rate for the month of JUNE 2016 for the BC All Item Index.*

APPENDIX "C"

WAGE RATES AND CLASSIFICATIONS:

**Employee Pension/RRSP Contributions
3% of Hourly Rate per Hour Paid**

	<u>EFFECTIVE Aug. 16/14</u>	<u>EFFECTIVE Aug.16/15</u>	<u>EFFECTIVE Aug. 16/16</u>
JOURNEYMEN TRADESMAN (Machinists, Fitter, Engine Fitter)	\$1.03	\$1.06	\$1.08*
JOURNEYMEN MECHANIC	\$1.03	\$1.06	\$1.08*
PROBATIONARY JOURNEYMAN	\$0.93	\$0.95	\$0.97*
SPECIALIST	\$0.91	\$0.93	\$0.95*
PAINTER (Must be qualified in all painting procedures and must be able to apply paints without supervision)	\$0.91	\$0.93	\$0.95*
MOBILE EQUIPMENT OPERATOR (Full Time)(Over 4 tons capacity)	\$0.87	\$0.89	\$0.91*
HELPER AND TOOL CRIB ATTENDANT	\$0.64	\$0.66	\$0.67*
LABOURER (General Plant Cleanup)	\$0.51	\$0.53	\$0.54*
STUDENT	\$0.46	\$0.47	\$0.48*

****COLA protection to 3% in third year based on the yearly inflation rate for the month of JUNE 2016 for the BC All Item Index.***

APPENDIX "C"

WAGE RATES AND CLASSIFICATIONS:

WAGE RATES AND CLASSIFICATIONS:

**Employer Pension/RRSP Contributions
3% of Hourly Rate per Hour Paid**

	<u>EFFECTIVE Aug. 16/14</u>	<u>EFFECTIVE Aug.16/15</u>	<u>EFFECTIVE Aug. 16/16</u>
JOURNEYMAN STEEL FABRICATOR	\$1.03	\$1.06	\$1.08*
JOURNEYMAN WELDER <i>RED SEAL</i>	\$1.03	\$1.06	\$1.08*
<i>PROBATIONARY JOURNEYMAN</i>	<i>\$0.93</i>	<i>\$0.95</i>	<i>\$0.97*</i>
<i>WELDER C of A</i>	<i>\$0.98</i>	<i>\$1.00</i>	<i>\$1.02*</i>
<i>WELDER LEVEL 2</i>	<i>\$0.77</i>	<i>\$0.79</i>	<i>\$0.81*</i>
<i>WELDER LEVEL 1</i>	<i>\$0.62</i>	<i>\$0.63</i>	<i>\$0.65*</i>
LAYOUT BURNER	\$0.94	\$0.96	\$0.98*
WAREHOUSE PERSON (CERTIFIED)	\$0.84	\$0.86	\$0.88*
WAREHOUSE PERSON (NON-CERTIFIED)	\$0.77	\$0.79	\$0.80*
SHIPPER/RECEIVER	\$0.75	\$0.76	\$0.78*

**COLA protection to 3% in third year based on the yearly inflation rate for the month of JUNE 2016 for the BC All Item Index.*

APPENDIX "D"

APPRENTICE RATES OF PAY

APPRENTICE WAREHOUSE PERSON

<i>1ST twelve months</i>	<i>70% of Journeyman Rate</i>
<i>Next 2nd twelve months</i>	<i>80% of Journeyman Rate</i>
<i>Next 3rd twelve months</i>	<i>90% of Journeyman Rate</i>

APPRENTICE WELDER

<i>ITA Level</i>	
<i>Welder Level 3</i>	<i>90% of tradesman rate</i>
<i>Welder Level 2</i>	<i>75% of tradesman rate</i>
<i>Welder Level 1</i>	<i>60% of tradesman rate</i>

All current Welders will maintain their current rate until such time as the rates above area greater.

FOUR YEAR APPRENTICESHIP

Start to 6 months	50% of Journeyman Rate
6 to 12 months	55% of Journeyman Rate
12 to 18 months	60% of Journeyman Rate
18 to 24 months	65% of Journeyman Rate
24 to 30 months	70% of Journeyman Rate
30 to 36 months	75% of Journeyman Rate
36 to 42 months	80% of Journeyman Rate
42 to 48 months	90% of Journeyman Rate

FIVE YEAR APPRENTICESHIP

Start to 6 months	50% of Journeyman Rate
6 months to 12 months	55% of Journeyman Rate
12 months to 18 months	60% of Journeyman Rate
18 months to 24 months	65% of Journeyman Rate
24 months to 30 months	70% of Journeyman Rate
30 months to 36 months	75% of Journeyman Rate
36 months to 42 months	80% of Journeyman Rate
42 months to 48 months	85% of Journeyman Rate
48 months to 60 months	90% of Journeyman Rate

APPENDIX "E"

DEFINITIONS

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. **A Lead Hand** 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 work is so recognized by the Company.
3. **A Journeyman** 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 Journeyman-Tradesman 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 Journeyman-Tradesman 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 fulfil the requirements of the International Association of Machinists and Aerospace Workers Constitution and the Bylaws of Vancouver Lodge 692.

4. **A Probationary Journeyman** is one whose ability and qualifications to carry out any work in his 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 to train up to Journeyman standards, during which time he will become a Journeyman, reclassified or terminated.
5. **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, do-all saws, or other similar machines. This shall also include work done on the heat treater.
6. **A Helper** is an employee working in the machine or metal industry in any of its branches or subdivisions and assigned to assist a Journeyman in the Machinist Trade in the performance of his duties.
7. **A Layout-Burner** is an employee who is required to do routine layout and burn by hand and/or machine, with a minimum of supervision.
8. **A Fitter-Welder** is an employee who is required to fit and weld structural and miscellaneous fabrications.

9. **Students** Students may be employed in the shops and will be limited to two 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 layoff.

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

Benefits of Article 12 do not apply to students.

10. **Labourer** (General Plant Cleanup). Will not be employed to displace Helpers.

LETTER OF UNDERSTANDING #1

between

**PRO MAC MANUFACTURING LTD.
Duncan, British Columbia**

and

**INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE
WORKERS, VANCOUVER LODGE #692**

Re: Long Term Disability Review

The Parties agree to review coverage of Long Term Disability and, if ratified by a majority vote of employees, revise coverage as needed.

DATED AT _____ this _____ DAY OF _____ 20_____

**INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE
WORKERS, VANCOUVER LODGE NO. 692**

PRO MAC MANUFACTURING LTD.

Business Representative

President

Business Representative

LETTER OF UNDERSTANDING #2

between

**PRO MAC MANUFACTURING LTD.
Duncan, British Columbia**

and

**INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE
WORKERS, VANCOUVER LODGE #692**

Re: Part Time Employees

The Parties recognize Part Time Employees may be of use. In order to facilitate these services and avoid the use of sub-contractors, the Parties agree to the following terms:

Part Time Worker

- 1) The Company can hire a maximum of one Part Time Worker per Department.
- 2) The Part Time Worker will not displace any full time employees.
- 3) The Part Time Worker will be on call and work a maximum of one half of the regular hours per month. If a Part Time Worker is required for more than one half of the regular hours work in any calendar month, it will be deemed to be a full time position.
- 4) The Collective Agreement will not apply to a Part Time Worker excepts as listed below:
 - a) The Part Time Worker will be paid the hourly rate and Employer Retirement contributions of the Classification.
 - b) Statutory holidays and vacations will be paid as per the Employment Standards Act.
 - c) Overtime pay will be as per the Collective Agreement
 - d) The Part Time Worker will receive, in lieu of Health and Welfare benefits, an hourly allowance for Health and Welfare under the following formula:

Monthly Cost of Health and Welfare Package

----- = hourly allowance

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- e) The Part Time Worker will become a member of the Union and pay dues as per Union policy.
- f) The Part Time Worker does not accumulate Seniority. If a Part Time Worker becomes a full time employee, after completing his probationary period, his seniority will be credited with one month for every 172 hours worked as a Part Time Worker.
- g) Part Time Workers will receive hiring preference if full time workers are need.

This Letter of Understanding can be cancelled by either Party with 30 days written notice.

DATED AT _____ this _____ DAY OF _____ 20_____

**INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE
WORKERS, VANCOUVER LODGE NO. 692**

PRO MAC MANUFACTURING LTD.

Business Representative

President

Business Representative