

Best and Final Offer

I.G. MACHINE AND FIBERS LTD.

And

International Association of Machinists and Aerospace Workers Automotive Lodge 692

The company has made an application to the Labour Relations Board (LRB) in BC to request that the LRB conduct a Best & Final offer vote. The details of the company's proposed changes to the 2015-2020 Collective Agreement are listed on the following pages. These changes would constitute the full terms and conditions of settlement for a new Collective Agreement between the Company and the Union as follows.

1. All items as specified on the attached pages.
2. All terms and conditions of the proposed agreement shall be in full force and effect on the day following ratification by the bargaining unit employees. Wage increases shall be retroactive to and including February 6, 2020.
3. 2015 – 2020 Collective Agreement, except as expressly modified by this settlement proposal.
4. This proposal is subject to ratification by the bargaining unit employees.
5. This Memorandum is complete except for any errors or omissions.

1. SCHEDULE A – Wage Increases

Year 1	\$1.00*
Year 2	2%
Year 3	2.1%
Year 4	2.2%
Year 5	2.2%

IG Ashcroft – Classifications and Wage Rates						
Classification	Current Rate	Year 1*	Year 2	Year 3	Year 4	Year 5
Journeyman	\$39.05	\$40.05	\$40.85	\$41.71	\$42.63	\$43.56
Control Room	\$30.29	\$31.29	\$31.92	\$32.59	\$33.30	\$34.04
Loader	\$29.39	\$30.39	\$31.00	\$31.65	\$32.35	\$33.06
Colour Plant	\$28.68	\$29.68	\$30.27	\$30.91	\$31.59	\$32.28
Crusher	\$28.02	\$29.02	\$29.60	\$30.22	\$30.89	\$31.57
Utility 2 (Start/Stop + Colour)	\$26.33	\$27.83^	\$28.39	28.98	\$29.62	\$30.27
Utility 1 (Day Crew + Tertiary)	\$26.33	\$27.33	\$27.88	\$28.46	\$29.09	\$29.73
Labourer	\$23.27	\$24.27	\$24.76	\$25.28	\$25.83	\$26.40

* \$0.20 of which is for the change to the Standardized benefits Plan.

^ includes \$0.50 base rate increase for Utility 2.

\$0.25 per hour premium will be added to current rate for Mine Rescue Primary Response Team on shift.

Revise Schedule A to reflect that Journeyman is Red Seal (Interprovincial Journeyman).

In Schedule A DELETE: Lube, General Labour and Utility and ADD: Utility 1 (Tertiary and Day crew) and Utility 2 (Stop/Start and Colour).

2. ARTICLE 4 – HOURS OF WORK AND OVERTIME

An employee called into work outside his regular shift hours shall be paid a minimum pay of four and one half (4-½) hours pay at his regular hourly rate or applicable overtime rates for actual hours worked, whichever is greater.

Previously this was 4 hours.

3. ARTICLE 8 – DISCIPLINE

When discipline is issued to an employee in accordance with the Company's discipline policy, a Shop Steward of the Union or another bargaining unit employee of their choice shall be present and a copy of the discipline shall be sent to the Union.

Previously only a Shop Steward could be present.

4. ARTICLE 10 – VACATIONS

Increase vacation entitlement to 5 weeks after 22 years of service.

Previously vacation entitlement maxed out at 4 weeks after 10 years or more.

Vacation entitlement – An employee who was at work and physically doing work for the Company for less than 1400 hours in the vacation year will be paid on a percentage of earnings basis.

Previously this was 1500 hours.

5. ARTICLE 9 – SENIORITY

Training and Job Posting

The Company will post a training opportunity when and if training in a position becomes available.

Employee will earn an opportunity to training for Control Room Operator after completion of the progressive training, in order as follows:

- Utility 1 (Tertiary)
- Utility 2 (Colour)
- Crusher Operator
- Colour Operator

An employee who is successful in their bid for a new position must remain in the new position for two (2) years before bidding into another position unless both Union and Company mutually agree to an earlier timeline. Within two months of the employee starting work in the new position, the Company will assess the employee's suitability for the new position. If the employee is assessed as not being suitable for the new position, the employee will return to the prior position.

(Bullet 4) With the exception of the Control Room Operator, an employee who successfully posts into the vacancy shall receive a rate that is one-half (1/2) of the rate difference between the classification he just left and the full rate for the classification he was awarded. Upon completion of 520 hours the employee will receive the full rate for the classification he was awarded.

(Bullet 5) An employee who successfully posts into the Control Room Operator position will be paid their current rate for the first 520 hours, then three quarters of the difference between their current rate and the Control Room Operator rate upon completion of hours from 520 to 1040 hours, and then the full rate upon completion of 1040 hours. In order to qualify for the increase, the employee shall (where applicable) be required to pass the Company in-house testing requirements.

(Bullet 6) All hours recorded in the training log shall count towards the completion of the hours in bullets 4 and 5 above.

6. ARTICLE 13 – GENERAL PROVISIONS

Bereavement Pay – DELETE: To qualify for bereavement leave for the death of a spouse, a spouse's child, or relatives, that spouse's name must be registered with the Company.

7. ARTICLE 16 – PENSION PLANS

Group Registered Retirement Savings Plan – Increase by \$0.05 in Year 1, 3, 5.

Current	Year 1	Year 3	Year 5
\$1.35	\$1.40	\$1.45	\$1.50

8. ARTICLE 17 – APPRENTICES

Moving LOU #2 and #3 to Article 17 of the CBA.

17.01 The Company may sponsor an apprenticeship training program in conformity with the laws of British Columbia.

17.02 The number of apprentices required for each or any trade and the number of apprentices at any level within any trade shall be determined solely by the Company. An apprentice accepted into the Program will be allowed to progress through the full apprenticeship, subject to the provisions of the entire Apprenticeship Program.

17.03 The course content of training programs, evaluation of apprentice performance and matters related thereto, or regulated by statute, or Government regulations shall not be subject to the grievance procedure.

Employees interested in being considered for an apprenticeship must contact the Human Resources Department, who shall arrange an interview.

Employees will be selected on the following criteria:

1. Minimum of one (1) year seniority before being able to bid on an apprentice position. Employees must be in good standing with the Company in the following:
 - Attendance record
 - Discipline record
 - Works well with others
2. Employee must have the ability to pass any applicable Company aptitude exams. An applicant for an apprenticeship, who is not successfully selected in one posting, can apply for the next posting provided that the applicant is successful in passing the required tests in not more than two attempts for each posting.
3. Employees must have the ability to fulfill the requirements for entry into the apprenticeship program as outlined in the Provincial Regulations.
Any existing production employee and/or new employee transferred via job posting into Maintenance Department to enter into the Apprenticeship Program must meet all criteria set by the Ministry of Training, Colleges and Universities (or similar government agencies) and the Company to qualify for an Apprenticeship Program.
4. Where more than one employee meets the above criteria it is agreed that seniority shall prevail.
5. Successful applicant will be subject to a six (6) month pre-apprentice probationary period where the employee's ability to meet the position expectations is assessed
6. An apprentice may be removed from the Program and his Apprenticeship Agreement cancelled during such probationary period for poor performance, just cause, or upon the request of the Employee. If the apprentice ceases to be in the Program, he shall be returned to the job classification he left to join the Apprenticeship Program and other employees who may be affected shall also return to their former job

classification. In the case of a new Employee who does not have a previous job classification their employment may be terminated (as per the discretion of the Company) subject to British Columbia's *Employment Standards Act*.

7. A successful applicant entering the Apprenticeship Program will be required to sign an agreement, which contains all of the stipulations included in this agreement. The agreement will be signed by a representative of both the Company and Union.
8. Hours accumulated during the pre-apprentice probationary period will be applied towards the work based training hours required in the Apprentice program.
9. After successful completion of the pre-apprentice probationary period the employee will be registered with the Industry Training Authority of British Columbia.
10. The pre-apprentice pay rate will be the year one (1) apprentice rate.
11. Time limits may be altered at the Company's discretion as circumstances rise.

However, this does not preclude hiring apprentices from outside the bargaining unit.

Rates:

- 17.04** a) The basic hourly rates for apprentices shall be in accordance with Schedule "A".
- b) Rate increases are contingent upon successful completion of the previous year. This includes passing the Apprenticeship Board's exams. The yearly intervals shall be calculated using the date of entry into the program as an anniversary date. If he/she should be unsuccessful in his examination, the rate becomes effective when he/she passes a subsequent examination.
- c) Employee's failure to pass examinations for entry into the next level or completion of the Apprenticeship Program, or in a reasonable timeline will be returned to the area he/she was promoted from, or if hired from outside he/she may be terminated. Apprentices shall complete all required Apprenticeship Board examinations in a reasonable timeline for each year of their apprenticeship. Passing of required examinations shall be governed by Industry Training Authority regulations.
- d) An Employee who is unable to register for Apprenticeship school within the prescribed apprenticeship school year due to the unavailability of the required course(s) shall be eligible for the rate increase for that specific Apprenticeship year.
- 17.05** An Apprentice having served his/her 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.

(i) Apprentice Rate of Pay:

Percent of Journeyman Wage		
	Current	Proposed
Year 1	65%	78%
Year 2	70%	82%
Year 3	80%	86%
Year 4	90%	92%

9. ARTICLE 20 – DURATION OF AGREEMENT

Five (5) year term, with amendments to this Section as applicable.

10. LETTERS OF UNDERSTANDING

Renew LOU #1

11. ARTICLE 15 – INSURANCE AND DENTAL PLANS

Delete all of Article 15 and replace it with the following:

15.01 Benefits will be those provided in the Company's Standardized Benefits Plan for Hourly employees. Refer to Standardized Benefits Plan Document for Hourly employees (the "Benefits Plan"). While there may be variation in individual plan elements overall the plan is similar value in comparison with the prior plan in place.

15.02 Each Employee shall have a Healthcare Spending Allowance (HCSA) of \$400.00 per year. This HCSA offsets additional costs incurred through the Company's Standardized Plan. The HCSA is applied to expenses that qualify under the terms of the HCSA. It is noted on the employee's profile via Manulife's online tool access rather than in the Benefits Plan document.

15.03 For Dependent Benefits coverage, proof of dependent eligibility is required prior to enrolment, and may be required at any time thereafter for audit purposes.

15.04. The Company agrees to pay its share of premiums for applicable group benefit coverage, provided that employees pay their share of premiums. Notwithstanding the foregoing, if an employee ceases to be actively employed by the Company due to sickness or as a result of a work-related injury or illness compensable under applicable workers compensation legislation, the Company's premiums contribution will, with respect to injuries or illnesses for which a claim under workers' compensation legislation has been approved, continue for the required period as prescribed under the applicable workers compensation legislation and, with respect to other illnesses or injuries, for a maximum period of six (6) months plus one (1) month for each complete year of service up to a maximum of twenty-four (24) months, if the employee continues his or her premium contributions.

15.05 When an employee is laid off and has a specified date of recall and wishes to be covered for Extended Health Care and Dental benefits, he may do so by paying 100% of the premium.

The comparison of the current benefits program and standardized program which will replace the current program is listed below.

COMPANY PLAN DESIGN AND COST COMPARISON DIVISION / CLASS STRUCTURE AND ELIGIBILITY			
DIVISION	ALL Divisions	Current 535 IG MACHINE AND FIBERS HOURLY	Standard Plan ALL DIVISIONS
CLASS	ALL Classes	56 Ashcroft Union Hourly	RECOMMENDED ALL CLASSES
ELIGIBILITY		30 hours per week	RECOMMENDED ALL 30 hours per week
WAITING PERIOD		1st day of the month after completing 30 days of full-time employment outside probationary period	3 months
GROUP LIFE			
PLAN DESIGN		100% Employer Paid	100% Employer Paid
Schedule		\$40,000	1 times annual earnings
Overall Maximum		\$40,000	\$250,000
Non-Evidence Maximum		\$40,000	\$250,000
Reduction		Not Applicable	Not Applicable
Definition of Earnings		The Employee's regular rate of pay, including regular bonuses, overtime and commissions	The Employee's regular rate of pay, including regular bonuses, overtime and commissions
Termination Age		Last day of the month in which the Employee attains age 65, or earlier retirement	Last day of the month in which the Employee attains age 65, or earlier retirement
ACCIDENTAL DEATH & DISMEMBERMENT (AD&D)			
PLAN DESIGN GROUP LIFE		100% Employer Paid	100% Employer Paid
Schedule		\$40,000	1 times annual earnings
Overall Maximum		\$40,000	\$250,000
Non-Evidence Maximum		\$40,000	\$250,000
Reduction		Not Applicable	Not Applicable
Definition of Earnings		The Employee's regular rate of pay, including regular bonuses, overtime and commissions	The Employee's regular rate of pay, including regular bonuses, overtime and commissions
Termination Age		Last day of the month in which the Employee attains age 65, or earlier retirement	Last day of the month in which the Employee attains age 65, or earlier retirement
LONG TERM DISABILITY (LTD)			
PLAN DESIGN LTD		100% Employee Paid	100% Employee Paid
Schedule		66.67% of monthly earnings	66.67% of the 1st \$4,500 of monthly earnings, plus 45% of the remainder
Maximum		\$2,000	\$5,000
Non-Evidence Maximum		\$2,000	\$5,000
Taxability		Non-Taxable	Non-Taxable
Benefit Duration		To age 65	To age 65
Termination Age		Age 65 or earlier retirement	Age 65 of earlier retirement
Other			
Definition		2 year own occupation, any occupation thereafter	2 year own occupation, any occupation thereafter
Elimination Period		26 weeks	119 days (17 weeks)
CPP/QPP Integration		Full CPP/QPP Benefits	Full CPP/QPP Benefits
Cost of Living Adjustment (COLA)		Not Covered	Not Covered
Definition of Earnings		The Employee's regular rate of pay, including regular bonuses, overtime and commissions	The Employee's regular rate of pay, including regular bonuses, overtime and commissions
Other			Not Covered
SHORT TERM DISABILITY (STD)			
PLAN DESIGN STD		Based on formula 25% EE paid	100% Employer paid
Schedule		55% of weekly earnings	60% of weekly earnings
Maximum		Equal to the Employment Insurance Maximum benefit amount	\$1,500
Taxability		Taxable	Taxable
Benefit Duration		26 weeks	17 weeks
Termination Age		Last day of the month in which the Employee attains age 65, or earlier retirement	Last day of the month in which the Employee attains age 65, or earlier retirement
Other			
Definition of Earnings		The Employee's regular rate of pay, including regular bonuses, overtime and commissions	The Employee's regular rate of pay, including regular bonuses, overtime and commissions
Elimination Period			
Sickness		8th day (Benefits payable on the 5th day provided the Employee has been absent from work due to illness for 8 consecutive days)	8th day
Accident		1st day	1st day
Hospitalization		1st day	1st day

HEALTH CARE			
PLAN DESIGN Health Care			
	Based on formula 25% EE paid	25% employee / 75% Employer paid	
Deductible	\$20 single \$40 family Not Appl. to OOC	Nil	
Overall Maximum (not applicable to OOC)	\$3,500,000 per lifetime	Unlimited	
Co-insurance and Annual Maximum			
Prescription Drugs		80% for the first \$5,000 in paid claims; 100% thereafter	
Major Medical	80% for the first \$1,500 in paid claims; 100% thereafter	80%	
Hospital	50% for Custom-Made Shoes	100%	
Vision Care	80%	100%	
Out of Country	100%	100%	
Prescription Drugs			
Pay-Direct Drug Card	Yes	Yes	
Dispensing Fee Cap	\$8.00 per prescription	\$8.00 per prescription	
Formulary	Brand/Generic	Mandatory Generic	
Preventive Vaccines	Not Covered	Covered	
Fertility	\$500 per calendar year	\$5,000 per lifetime	
Smoking Cessations	Not Covered	Not Covered	
Sexual Dysfunction	Not Covered	Not Covered	
Anti-Obesity	Not Covered	Not Covered	
Paramedical Services			
Acupuncturist	Not Covered	\$500 per calendar year	
Audiologist	Not Covered	Not Covered	
Chiropractor	\$500 per calendar year	\$500 per calendar year	
Chiropracist / Podiatrist	\$500 per calendar year	\$500 per calendar year	
Christian Science Practitioner	\$500 per calendar year	Not Covered	
Dietician	Not Covered	Not Covered	
Massage Therapist	\$500 per calendar year	\$500 per calendar year	
Homeopath	Not Covered	Not Covered	
Naturopath	\$500 per calendar year	\$500 per calendar year	
Occupational Therapist	Not Covered	Not Covered	
Osteopath	\$500 per calendar year	\$500 per calendar year	
Physiotherapist	\$500 per calendar year	\$500 per calendar year	
Psychologist / Social Worker	\$500 per calendar year	\$500 per calendar year	
Speech Therapist	\$500 per calendar year	\$500 per calendar year	
Major Medical Services			
Ambulance	Yes	Yes	
Private Duty Nursing	\$10,000 per calendar year	\$10,000 per calendar year	
Orthotics (Custom Made)	Not Covered	\$300 per calendar year, combined with Custom Made Orthopaedic Shoes	
Orthopaedic Shoes (Custom Made)	2 pair per calendar year	\$300 per calendar year, combined with Custom Made Orthotics	
Surgical Stockings	\$25 per calendar year	2 pairs per calendar year	
Hearing Aids	\$200 per 24 consecutive months	\$500 per 60 months	
Hospital			
Semi-Private Accommodation	Yes	Yes	
Private Accommodation	Not Covered	Not Covered	
Convelescent Hospital	\$20 per day for Semi-Private	\$20 per day for Semi-Private	
Vision Care			
Eye Exams	Not Covered	1 exam per 24 months	
Glasses, Contacts, Lenses	\$200 per individual per 24 months	\$200 per per person per 24 months	
Out of Country			
Maximum	\$1,000,000 per lifetime	\$5,000,000 per lifetime	
Duration (Days)	180 days	180 days	
Referral	Not Covered	\$3,000 per 3 calendar years	
Travel Assistance	Not Covered	Yes	
Other			
Termination Age	Last day of the month in which the Employee attains age 65, or earlier retirement	Last day of the month in which the Employee attains age 65, or earlier retirement	
Survivor Benefits	Last day of the 3rd month following the month in which the Employee dies	Last day of the 3rd month following the month in which the Employee dies	
DENTAL CARE			
PLAN DESIGN DENTAL			
	Based on formula 25% EE paid	25% employee / 75% Employer paid	
Deductible	\$20 single \$40 family	Nil	
Co-insurance and Annual Maximum			
Level 1 - Basic and Preventive Services	100%; \$2,000 per calendar year	80%; \$1,500 per calendar year	
Level 2 - Endodontic and Periodontic Services	75%; combined with Level 1	80%; Combined with Level 1	
Level 3- Dentures	75%; combined with Level 1	80%; Combined with Level 1	
Level 4 - Major Servies	Not Covered	50%; Combined with Level 1	
Level 5 - Orthodontic Services	Not Covered	Not Covered	
Fee Schedule - General	Current	Current	
Fee Schedule - Specialist	Current	Not Covered	
Recall Frequency	1 every 6 months	1 every 6 months	
Scaling Units	16 units	8 units	
Termination Age	Last day of the month in which the Employee attains age 65, or earlier retirement	Last day of the month in which the Employee attains age 65, or earlier retirement	
Survivor Benefits	Last day of the 3rd month following the month in which the Employee dies	Last day of the 3rd month following the month in which the Employee dies	
Healthcare Spending annually per employee	\$0	\$400	

Please direct any questions to your negotiating committee.